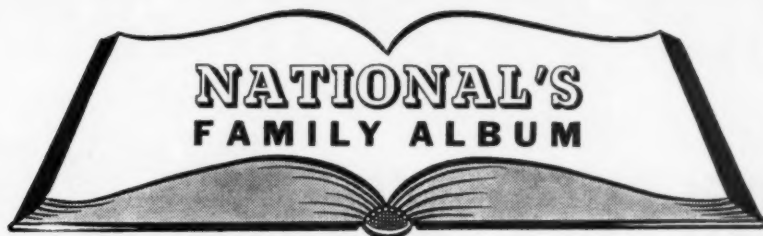


# The NATIONAL UNDERWRITER



**Diligent Douglas.** Leaves no stone unturned to serve the best interests of client and company. Demonstrates true agency service which gives the best possible protection. Result: Lots of overtime work but it pays off well.



**Efficient Egbert.** A smooth, effortless agent who has his selling, underwriting and servicing so well worked out that even the company wonders how he does it. This gives him more time for golf and plenty of new business—and it looks easy.



**Fortunate Frank.** One of those agents who's always in luck. The envy of the others. They don't realize he makes his own breaks; knows his business, his policyholders' needs, and a lot of prospects. And they call it luck!



**N. F. G.\*** The Perfect Agent. Does all these things and more. Sound steady protection and prevention service—all the time.

\* National Fire Group agents, of course

## The National Fire Group

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD  
MECHANICS and TRADERS INSURANCE COMPANY

FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK  
TRANSCONTINENTAL INSURANCE COMPANY

UNITED NATIONAL INDEMNITY COMPANY

EXECUTIVE AND ADMINISTRATIVE OFFICE, HARTFORD 15, CONN.

WESTERN DEPARTMENT

175 W. JACKSON BLVD., CHICAGO 4, ILL.



PACIFIC DEPARTMENT

234 BUSH STREET, SAN FRANCISCO 20, CAL.

MEMBER THE ASSOCIATED AVIATION UNDERWRITERS

THURSDAY, OCTOBER 9, 1947

# Fire Prevention Week

## AND EVERY WEEK

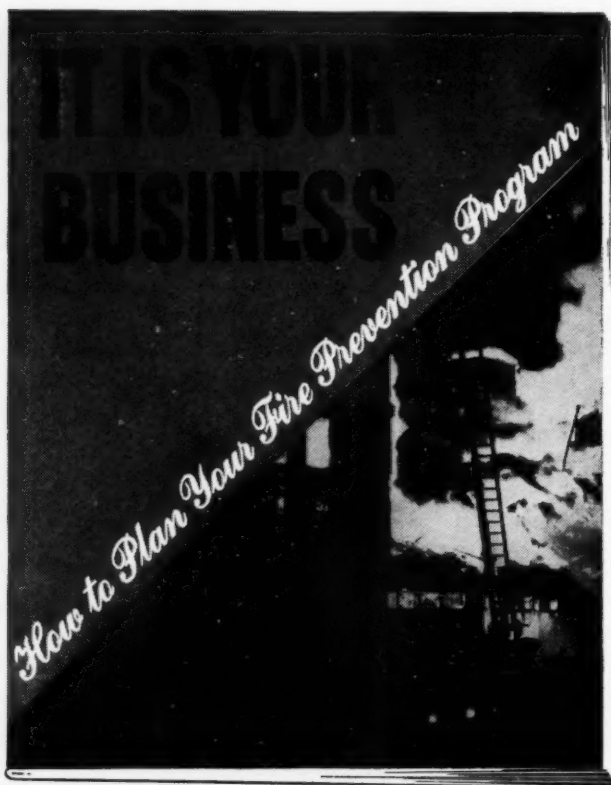
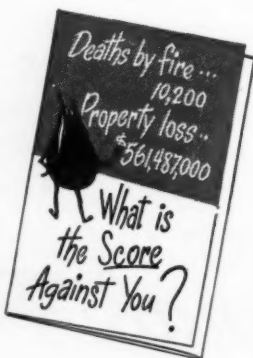


You, as a local agent, are the natural leader in your community's fire prevention program. As an expert in this field, you know that Planned Fire Prevention does not end with Fire Prevention Week. You know it is a 52-weeks-a-year job.

To help you plan and carry out your local fire prevention campaign, the National Association of Insurance Agents with the guidance of their Fire Prevention Committee has published this booklet, "It Is Your Business." Written by a specialist of the American Insurance Group, the booklet outlines

### FOR YOUR CUSTOMERS AND PROSPECTS...

A two-fold self-mailer that dramatically points out to the home and property-owner 10 cardinal rules to be observed in the continuous battle against the ravages of fire. American Group Agents are receiving this self-mailer now. Write the American Insurance Group, Newark 1, N. J. for your sample.



your entire community program. Tested methods, proved efficient in actual practice, are explained and illustrated. "It Is Your Business" is endorsed by the National Board of Fire Underwriters and the National Fire Protection Association. Invaluable in planning and developing your year-round fire prevention program, this booklet is AVAILABLE AT ONCE FROM THE N.A.I.A., 80 Maiden Lane, New York 7, N. Y.

# 1846

THE American Insurance Group

Newark 1, New Jersey

The American Insurance Co. • The Jersey Fire Underwriters • The Columbia Fire Insurance Co. • Bankers Indemnity Insurance Co. • Dixie Fire Insurance Co.



# Big Commission Decisions Reached

Report Excepted  
Scale Is Set  
at 20, 25, 30

Wind-E. C. Same as Fire  
in West—Non-Writers  
5 Points Less

We have learned from a source that we believe to be wholly reliable that at the meeting of Western Underwriters Assn. held at Manchester, Vt., Sept. 17, the association endeavored to determine through study and research the fair, just and equitable commissions to be allowed on fire and windstorm business and extended cover in the territory of the association.

It is our understanding that this work was done by a sub-committee of the governing committee, presented to the meeting by the governing committee, and later fully discussed by the whole membership in the committee on order of business, where all of the discussions that take place in W. U. A. meetings occur.

It appears to have been the consensus of the membership that the commissions now paid in what is known as ordinary territory of 15%, 20% and 25% on certain classes of business indicated are fair, reasonable and equitable commissions to compensate a policy-writing agent for the work that he does in the production of business in ordinary territory, except that it was the consensus that windstorm insurance, extended coverage insurance and endorsements attached to the extended coverage endorsement justify the same commissions as fire insurance on the same risk rather than the commissions that have been paid in the past.

It was also the sentiment that agents who do not write their own policies in towns of 3,000 or over population, according to the last U. S. census bureau figures, should be allowed 5 points less commission because they do not write the policies and the expense of writing the policies is carried by the companies. It is found that it costs 5% to write policies.

## Kentucky Counties Situation

It was felt, we are informed, that there is no justification for paying in Kenton county, Kentucky, and Campbell county, Kentucky, a higher commission than in ordinary territory. Therefore, the commissions indicated above should in fairness apply to the business in these counties.

It is reported that the cities and counties of Chicago and Cook county, Illinois; Milwaukee and Milwaukee county, Wisconsin; Detroit and Wayne county, Michigan; Cleveland and Cuyahoga county, Ohio; Cincinnati and Hamilton county, Ohio; and Louisville and Jefferson county, Kentucky, presented problems that were considered at great length. It was recognized that in these localities extra service is rendered and a situation has developed over many years that had to be taken into consideration.

The feeling seems to have prevailed that Detroit commissions should be left as at the present and that little if any change should be made at St. Louis or

## Gorman Tells Mo. Agents His Views on Rate Bureaus

No price fixing combination, whether under private or government supervision, can provide public benefits equal to those obtainable under a system where free competition prevails, Manuel M. Gorman, special assistant to the attorney general, said in his talk at the annual meeting of the Missouri Assn. of Insurance Agents at St. Louis.

Mr. Gorman said that such price fixing must of necessity involve the lessening of competitive opportunity and its deterioration or ultimate destruction. Characterizing price fixing among competitors as a potent and dangerous economic drug, he warned it should never be freely dispensed by private groups without public responsibility.

### Needs "Utmost Scrutiny"

"Even where it is administered by the government, it needs the utmost scrutiny and safeguard," he said. "Any attempt to seek protection from the risks of competition by private regimentation or limited government intervention is dangerous. Each inducement to partial control is at the same time an inducement to further control."

Mr. Gorman said that acceptance of the premise of placing major emphasis upon adherence to the system of free and private enterprise would mean no price fixing combination in insurance under private or governmental auspices. It would mean freedom of enterprise and competition as exemplified in the anti-trust laws, with a minimum of regulation and control.

He maintained that the primary benefits "claimed to accrue from making of rates in concert in the insurance business" are derived from the availability and use of common experience.

"I believe that these benefits can be achieved through other media than authorizing or encouraging agreement on final rates," he said. "Protection of the public against insolvency of companies or unfair discrimination in rates can also be provided by other means. But in any event, if making of rates in concert is

Milwaukee, except that windstorm, extended coverage and endorsements to extended coverage should pay the same commission as fire on the same risk.

In the other cities and counties mentioned above, it was thought that, considering all phases of the situation, it would be just and equitable to pay 5 points more commission on the various classes of business than is paid in what is known as ordinary territory to policy-writing agents in these cities and counties on business covering in their own cities and counties—that is, 20%, 25% and 30% on the classes of business on which it is thought fair to pay 15%, 20% and 25% respectively in ordinary territory, but that here again windstorm and extended coverage insurance should take the same commission as fire on the same risk.

In all of these cities, including Detroit, St. Louis and Milwaukee, it was felt that non-policy-writing agents should receive 5 points less than the scale indicated above to compensate for the expense of writing policies.

It was also the consensus that where contingent commission is paid, that it should be on a new formula which will as accurately as possible determine the profit on the business on which the contingent is paid.

to be utilized primarily as a means of preventing competitive opportunity and endeavor among a substantial number of the companies engaged in the business, there is little that can be said in its defense."

States that have authorized concerted action among companies must provide adequate supervision to prevent injury to the public by any abuse of their authority, Mr. Gorman emphasized. Supervision must offset the dangers inherent in the privilege extended and should partially compensate for the loss of benefits otherwise accruing from competition among those allowed to act in concert.

### Privileges Need Watching

"Where practices regarded as inimical to the public when engaged in by other businesses are to be permitted in some parts of the insurance business, they require the utmost scrutiny and safeguard. Under no circumstances should a system of private controls be perpetuated under a cloak of state protection."

He pointed out that the privilege to act in concert must not compel all to follow that line. It should not place a heavy burden or restriction upon companies acting independently which have no conflict with the anti-trust laws. Those who wish to act independently should be able to do so without being unduly confined by considerations applied to check those acting in concert. Those who accept the "alleged" benefits of concerted action should not be deprived of their right to deviate from bureau rates within reasonable and justifiable limits, he added.

Mr. Gorman made no recommendations for a new code in Missouri. That state is one of the few which has not enacted new rating laws.

## Blue Goose at New Membership High, Edmondson Reports

An excellent report of progress for the past year was delivered by George E. Edmondson, Tampa, most loyal grand gander, in his address to the grand nest.

Membership has hit an all time high of 9,606, a gain of 707. Biggest increase came in the California, San Francisco, Ohio, Michigan, Minnesota, Oklahoma and Ontario ponds.

Mr. Edmondson made several recommendations at the annual meeting at Miami Beach, among them that the grand nest dues be increased.

He also suggested that Blue Goose members take a more active part in civic affairs. Fire insurance men are very weak in that department, he commented.

Blue Goose is the only fire insurance organization that has the spiritual side as its primal objective, he said, emphasizing that today is a time when this as-

(CONTINUED ON PAGE 21)

## Fire Prevention Messages Seek to Arouse the Public

Catastrophic  
Elements of the Huge  
Waste Are Emphasized

NEW YORK — American property and resources which required hundreds of millions of man-hours to produce are being burned up at the greatest rate in U. S. history, officials of the National Board warned in a statement for fire prevention week, which opened Sunday. The death toll from fire exceeds 10,000 annually, with the great majority of victims under 25 years of age.

J. M. Haines, president of the board, stated that during the past 12 months, "the direct losses by destructive fires have soared to the unprecedented level of \$653,156,000—greater by nearly \$100 million than the previous record loss years of 1926 and 1946."

### Increase Every Month

"Every month this year the burning of American property has increased. The nation's losses so far are nearly 25% higher than last year. Unless this destruction can be checked, we will see more than \$700 million of our hard-earned and desperately needed possessions sacrificed to fire this year."

W. E. Mallalieu, general manager of the board, stated that the destruction by fire this year "will be equivalent to two such catastrophes as the San Francisco holocaust of 1906 within the space of a single year." The death toll of 10,000 lives annually is 25 times greater than the number killed in the San Francisco fire.

"The most tragic part of all is that most of the victims of fire are young people. Ninety-three per cent are under the age of 25, and 20% of the victims are children under 5," he said.

### Individual Responsibility

To reduce this toll "we must all assume more responsibility in our daily lives to see that the causes of fires are reduced and our homes kept free from the threat of fire. That is our individual responsibility," Mr. Mallalieu said.

"But more than that, our elected and appointed officials in every community and every state must take greater responsibility for public safety, in the adoption and strict enforcement of approved building codes and fire prevention ordinances, and in the education of all our people in the principles of safety."

"Only through this effort, backed by public support, which was so strongly recommended by the President's conference on fire prevention, can we expect to save our resources and lives of our citizens from fire and preserve them for the future," he said.

### ACTIVITY OVER NATION

Indianapolis radio stations on four days this week broadcast a transcribed fire prevention week message, and also a fire prevention program, "Speak up,

(CONTINUED ON PAGE 33)



G. E. Edmondson

## Rating Bill Discussions Highlight Missouri Meeting

### Gorman, Ploeser State Views at St. Louis: Jackson Elected New President

#### NEW OFFICERS ELECTED

President — Clifford C. Jackson, Mountain Grove.

First vice-president — Arnold Roth, Cape Girardeau.

Second vice-president — Robert H. Young, Jefferson City.

Third vice-president — Kenneth W. Robinson, St. Joseph.

Secretary-treasurer — John J. O'Toole, St. Louis.

Chairman executive committee — Louis H. Trout, St. Louis.

National state director — Robert L. Stewart, Jr., Kansas City.

Executive secretary — B. G. Gregory, St. Louis.

ST. LOUIS—Observations on rating legislation took the feature spot at the annual meeting here of the Missouri Assn. of Insurance Agents.



C. C. Jackson

and interest in that subject is high.

Clifford C. Jackson of Mountain Grove was elected president succeeding Louis H. Trout of St. Louis.

Mr. Jackson in his remarks on taking office voiced opposition to the all-industry bills pending before the Missouri general assembly and also opposed any move by the companies to reduce agents' commissions in St. Louis, commenting that the present commission scales in Missouri have prevailed since 1875. "I think we are entitled to a raise," he said. "Everybody else has gotten a raise."

#### Urge Prevention Activities

Among the resolutions adopted at the closing sessions was one calling upon Governor Donnelly to support President Truman's accident prevention and fire prevention conferences.

Besides Messrs. Gorman and Ploeser, speakers at the meeting were Alpha Kenna, secretary Kansas association; William P. Welsh, vice-president National association; Harold O. Molitor, manager Transportation Ins. Co.; L. F. Keegan, manager Missouri Automobile Assigned Risk Plan; Roy A. Duffus, general agent at Rochester, N. Y., and W. G. Power, General Motors Corp.

Mr. Ploeser expressed regret that Congress extended the public law 15 moratorium beyond Jan. 1. He declared that it is time that the insurance industry and commissioners face the problems treated by the S.E.U.A. decision and settle them without delay.

Discussing the proposed District of Columbia code, he said that the measure passed by the House is neither the all-industry nor the Ploeser bill. He then stressed that the D. C. action not be taken as a criterion for any state, it being a purely local matter.

Missouri should pass the best regulatory bills that they are able to draw up

without patterning them after the all industry bill or the insurance laws of any other state, he said. Uniform state laws have the tendency towards regimentation and present a resemblance to a federal code. He urged that full competition be the guide in any new laws.

Mr. Ploeser said he would like to see a bill enacted that would encourage new insurance capital to come into the business.

There is no movement in Washington of sufficient size at present to be a great threat in the way of taking over the industry, he declared.

President Trout presided at the banquet at which Mr. Ploeser spoke, and E. L. Scheufler, counsel for the Missouri association was toastmaster.

Lead off speaker the first day was Alpha Kenna. Mr. Kenna made some comments on the need of agent education and added that one who knows his business thoroughly will like it well enough to stay in it and do a good job.

Mr. Welsh touched on the important objectives of the National association and gave some case illustrations of how it helps the individual agent.

A thorough explanation of the Missouri assigned risk plan was given by Mr. Keegan.

The Missouri assigned risk plan is a year old and requires proof of financial responsibility for bodily injury or death for \$5/10,000 limits, and \$1,000 coverage for property damage in any one accident.

Mr. Keegan told how the plan works and procedures required of applicants and agents for eligibility.

#### FLOOR PLAN

How an agent can pyramid premium income through sale of a floor plan and installment sales floater was described by Mr. Molitor. He said the installment sales floater, combined with the floor plan policy is the ideal answer for banks or financial institutions to protect merchandise while it is being financed.

He dealt in particular with the stated amount, or valued form installment sales floater, which covers the dealer, finance company or banking institution for the unpaid balance, and also the ultimate purchaser for the value of merchandise at the time of loss. Employing a simple example, he illustrated his point with a customer buying a refrigerator from his local appliance dealer and paying \$300 for it over a period of 12 months. If at the end of 11 months the purchaser has paid \$280 and the refrigerator is destroyed, the dealer can go to his customer and say, "You paid \$280, you owed me \$300; here is your paid up installment contract which takes care of the amount you now owe me, and here is the \$280 which you have already paid."

#### Advertising Appeal

Under such a situation, Mr. Molitor pointed out, there is a tremendous advertising appeal for the dealer. From a sales standpoint, such coverage under either the floor plan or regular installment sales form cannot be refused, he remarked, because the agent goes to his customer and offers a master policy covering everything he sells on a time payment plan until it is finally paid for. Further, a dealer has every right to pass the entire cost on to the ultimate purchaser.

The ultimate purchaser never deals with the insurance company because of high claim costs. When a loss occurs the financier or seller of the merchandise can repair or replace the items, giving them back to the customer without charge, and simply send the bill to the insurance company.

A forum on casualty insurance was conducted by Roy A. Duffus. He mentioned several cases in which the casualty committee of the National association has worked out problems with the companies and bureaus, and discussed several needed changes in the general liability manual and described the progress being made toward accomplishing them.

## Agents Ask Prior Consultation on "Adverse" Moves

Charles C. Hewitt of the Boit, Dalton & Church agency, Boston, issued a statement at Detroit following the meeting there of representative agents from excepted cities and other metropolitan areas that was held on the call of Mr. Hewitt. These agents met as individuals.

"The problems are unique and individual as to the various areas and communities," Mr. Hewitt declared, "and, therefore, it was the very definite expressed desire of all in attendance to help maintain order and responsibility in all proper and necessary changes in present practices, but the feeling was unanimous that problems affecting producers should be solved for each locality through consultation between responsible insurance executives and the producers affected before action is taken by any segment of the business that would adversely affect any other branch of the insurance business."

The meeting was held at Detroit Athletic Club.

Cities represented included Boston, New York, Pittsburgh, Cleveland, Chicago, Cincinnati, St. Louis and Detroit.

## Taxicab, Long Haul Market

Insurance Research Service, Inc., Dierks Building, Kansas City, announces that it has arrangements for handling B.I., P.D., fire, theft and collision on taxicabs, and fire, theft and collision on long haul trucks.

The business is written through a Lloyds market.

An engineering program is under way. Manual rates are not adhered to, being used as a guide only.

Mr. Power spoke on "Hellzapoppin—With Plenty To Sell." He delivered an inspirational talk to close the afternoon session.

Registration for the convention was 286 and 416 attended the banquet. More than 350 were on hand for the luncheon meeting at which Mr. Gorman spoke.

Edmund J. Boyce, St. Louis, chairman of the membership committee, reported that the association now has 632 members, a gain of 21. There are 11 local boards in the state.

## ST. LOUIS JOTTINGS

The delegation of the Western Insurance companies was headed by President Ray B. Duboc and James B. Hill, general agent at St. Louis.

Headquarters rooms were maintained by the Western group, New Amsterdam, National Surety, Aetna Casualty, Maryland Casualty, Kansas City F. & M., Home, American Associated, U. S. F. & G., Hartford Fire, Massachusetts Bonding and Fidelity & Deposit.

President-elect Clifford Jackson promised to dedicate his administration to putting Mountain Grove on the Missouri map.

Thomas O. Nuckles, Jr., former state agent for Norwich Union and at present local agent at Caruthersville, attended the meeting and greeted old friends.

Kansas City F. & M. was represented by O. P. Rush, vice-president, and Vertner Z. Read, special agent.

J. W. Burden, assistant manager Hartford auto department at Chicago, was in attendance as was Roy Wessendorf, superintendent of agencies of Springfield F. & M. also of Chicago.

Lynn Fellison, newly appointed state agent for Norwich Union, attended.

Frank McGee represented Thomas McGee & Sons of Kansas City.

This was by far the most outstanding Missouri meeting in recent years and W. R. Dunham of Mercantile Insurance Agency of St. Louis deserves a great deal of credit for its success. He was convention chairman.

Arthur Jacobs, superintendent improved risk department Springfield group, stopped over for the meeting.

The only representatives from St. Joseph were those from Robinson-McWilliams and Burnham Agency and they batted 100%, all three firm members being present.

## Icks Gives Mutuals Tips on Gearing for Rating Statistics

Robert J. Icks, vice-president of Auto-Owners, told the National Assn. of Mutual Insurance Companies at Columbus, O., that the smaller the company the greater the problems are likely to be in coding, recording and accumulating statistics under the model rating bills and variations of them. Discussing the problems from a management rather than a statistical viewpoint, he said that it is in the non-statistical departments that the greatest readjustments will have to be made. Mr. Icks expressed the importance of immediate action to gear each company to the new requirements. If no statistical plan has been announced by the state commissioners, he urged those present to use their influence to have a plan adopted. Then the company should get a copy of whichever plan is to be used to prescribe the reporting form, and also what the requirements are to be for filing of manuals, rates and forms. These requirements should be analyzed carefully so that the individual company can determine whether it can operate under the prescribed plan without any internal changes.

It is obvious that all insurance commissioners will require the use of some statistical system which will permit consolidation with a minimum of effort of information received from companies, he declared. Some of the departments have already announced for automobile lines, liability in lines other than automobile, that National Bureau statistical plan will be used and for automobile physical damage coverages, the National Automobile Underwriters Assn. plan will be used. Others have not committed themselves and a few have announced that companies may report under the plan prepared by National Assn. of Independent Insurers and used by National Independent Statistical Service, the Midwest Insurance Statistical Service and other independent regional bureaus. Whether reported direct or through such bureaus, undoubtedly each company will be required to furnish the information in a specified form, he said.

Smaller companies without the equipment and personnel will be severely handicapped if made to comply with the National Bureau and the N.A.U.A. plans, and have their overhead materially increased. Despite the drastic reductions in the number of codes set up under the N.A.I.I. plan, it is important to note that figures compiled under that plan can be consolidated with figures under the National Bureau and N.A.U.A. plan. Such consolidated figures in the commissioner's office and held by bureaus will be a great advantage to all companies for their own comparative and rate making purposes.

#### Advantages of a Bureau

Not every company may feel the need of belonging to a rating organization; however, in the case of small companies, statistics reflecting the consolidated experience of as many companies as possible are highly desirable in guiding management and in determining rates. It will enable the small company to justify rates which its experience alone would not warrant and by having its experience consolidated with others, a company will not be required to give publicity to its experience alone.

One problem that faces the company is making sure that its system of coding for internal purposes lends itself into the common codes for reporting purposes in sufficient detail. The work of accumulating statistics involves much recording, sorting, totaling and printing, under which the volume of such work is bound to increase, Mr. Icks declared. Insurance departments and bureaus usu-

(CONTINUED ON PAGE 33)



## George Fevig New President of Minnesota Assn.

**Agents Oppose P.P.F. Hike, Further Auto Increases, Term Rule Change**

### NEW OFFICERS ELECTED

President—George V. Fevig, Moorhead.

Chairman executive committee—Jess Bradley, Duluth.

Members executive committee—Fred G. Deegan, Faribault; C. R. Hewitt, Dorset; A. C. Johnson, Springfield; J. M. Kudrna, Robbinsdale; Francis V. McGovern, Rochester (hold-over members); George A. Thompson, Minneapolis; Karl Klein, St. Paul; Henry Olson, Virginia; Harlan Erickson, St. Cloud.

Secretary-treasurer—George W. Blomgren, Minneapolis.

National state director—Leroy Engberg, St. Paul.

DULUTH — In resolutions adopted at the closing session of its golden anniversary convention, the Minnesota Assn. of Insurance Agents vigorously protested the recently promulgated rate increase for the personal property floater policy and requested a hearing to determine its justification.

The Minnesota agents also disapproved the proposed abolishment of the



G. A. Thompson George Fevig

term rule on fire policies as a means of providing capacity relief for companies. "The abolition of the term rule is not the proper remedy for this problem," the resolution read. "To remove an established practice of so many years' standing would destroy public confidence, increase insurance cost and cause confusion to all concerned."

Commissioner Johnson was commended for his "sensible position on the agents' license qualification requirements and in making them fairly acceptable to most of the interests concerned."

Believing that the high point has been reached in automobile accidents and loss frequency and claim costs, the association went on record as holding that any further increase in auto rates should be avoided, "thus maintaining cordial relations with the public which feels that the current policyholders are asked to pay for past instead of current losses."

### Better Auto Rate Systems Asked

The association urged that rating authorities find a "more scientific formula for automobile rates, somewhat after the methods of fire insurance rate making. States, counties and large and small communities can each have its own rate based not only on its experience but on its accident prevention activities. In this way the citizens of a community could look forward to a definite percentage decrease in auto insurance costs

(CONTINUED ON LAST PAGE)

## Tests for Investment Value of Fire-Casualty Stocks

Tests to apply in evaluating fire and casualty insurance company stocks for investment purposes were told to the Financial Section of the American Life Convention, meeting in Chicago Tuesday, by George Geyer, president of Geyer & Co., New York City, a noted authority on bank and insurance company stocks. He specified that his comments applied only to fire and casualty, and not to life company stocks, but many of the tests also are applicable to life stocks.

He gave a reliable yardstick to use in measuring quality of management of banks and insurance companies in evaluating their stocks. The change in the capital stock equity share, adjusted to reflect changes in stockholders' equities, he feels is a reliable measure. The test should be made over a period of time sufficiently long to eliminate any temporary conditions.

Over 17 years ending in 1946, he said in a review of 77 fire and casualty carriers, 10 companies with the best records added 372% to their net worth, better than 23% a year.

A group of 10 fire and casualty companies having the worst records showed a change of only 5% in their net worth. A breakdown could be made to determine whether less experience or expense was chiefly responsible for these results.

### Quality of Earnings Test

Earnings almost certainly are the prime product of management. Quality of earnings and future prospects of earnings are of great interest to investors.

The relative burden of operating costs is becoming of greater moment. Salaries and payroll of a group of New York City banks have risen from 40 to 75% of gross operating costs.

He said bank and insurance company stocks are equities of the two outstanding financial institutions which collect and invest the public's savings, and rules and tests for evaluating all equity securities apply, including the quality and ability of management.

The best evidence of quality of management of fire and casualty companies, he said, was shown by a study of 81 companies, which over 2,660 company operating years showed operating profits, excluding capital gains and losses, in 2,466 company years. Insurance underwriting alone was profitable in 71% and unprofitable in 29% of the years. Another approach is measuring underwriting profit to premiums earned; 10 companies showed underwriting profit of 13.8% premiums earned; 10 with the poorest records showed 4% underwriting loss.

It is necessary, he said, to determine whether adequate provision has been made for loss reserves in casualty companies. Reliable methods for evaluating the adequacy of these reserves have been devised.

### Shows Comparison

His company made a study of 10 successful companies which had 47% of their assets in government bonds and only 8½% in common stocks; while 10 companies that were least successful had 37% in consumer stocks and only 23½% in governments.

Last year 10 of the 77 companies wrote \$1.59 of premiums for every \$1 of stockholders' equity; 10 others wrote only 41½ cents. This period in which premium volume is rising so steadily affords unprecedented opportunity for more conservative companies to expand writings and bring their setup closer to average, Mr. Geyer declared.

Dividends paid by insurance companies are of course an important index. Both the fire and casualty companies almost invariably gear their dividends to earnings on investments and disregard profits from underwriting in the calculation. The investment income is

prime evidence as to the probability of dividend payment.

The policy of maintaining sufficient cash and liquid securities to meet the reasonable demands of policyholders is another important factor to check. The growth factor in fire and casualty could provide a very interesting study, for the great growth in premium writings in recent years provides excellent investment opportunity. The outlook must be appraised for each line of insurance. Fortunately, fire and casualty companies are not so dependent on the results in any one year as on the accumulated values; not so much on how many automobiles are manufactured this year as on the total number of cars in operation.

Financial responsibility laws have stepped up auto insurance sales in many states where they were adopted. Similar experience has occurred in other lines due to various factors.

The fire insurance business often shows larger earnings in periods of depression. In an era of rising prices fire companies often suffer increased losses. After a time lag the public realizes the need for increased coverage on higher values. Premium writings for six months this year for a selected group of fire companies show 30% increase, Mr. Geyer said, and there was a great increase also last year.

### Notes Fire Rate Increases

He noted the increases in fire insurance rates and feels this tendency will continue. There has been great rise in fire losses. There usually has been close relation between fire losses and the general price level. The 1946 fire losses were 93% above 1936 in spite of the restrictions on prices imposed by OPA.

In the five year period 1933-1937 the fire companies earned an aggregate underwriting profit over \$281 million, or 8% of earned premiums, while in the last five years, 1942-1946, they have lost \$10 million on operations, Mr. Geyer reported.

### Coverage on Hilton Jewel Robbery Still in Doubt

NEW YORK—Lloyds had a schedule jewelry policy for more than \$97,000 on the Hilton jewels which were stolen from the Hungarian beauty's apartment last weekend. The owner values her jewels at \$700,000 but admits that many of them were not insured. Toplis & Harding is handling the loss.

Mrs. Hilton's lawyer said in his Wall Street office that he did not know how much of the jewelry was covered by insurance but an early police estimate revealed that \$120,950 coverage was carried. The insurance was placed in Los Angeles and New York. With papers split between both cities the exact amount of coverage is still in doubt. It is believed that some additional coverage was carried in American companies. One company got off the risk as recently as July, thereby avoiding a large loss.

The early police figures said that one diamond and platinum necklace was insured for \$40,000. A diamond and platinum wrist-watch, the gift of her estranged husband, was insured for \$12,000.

Accident & Casualty had a \$10,000 floater on the Hilton jewels which boosts the listed insurance coverage to \$107,000.

### Puerto Rico Standard

A new standard fire insurance policy was adopted for the island of Puerto Rico as of July 1. It is exactly the same as the 1943 New York policy, but is printed in both Spanish and English, the English text prevailing in case of ambiguity or discrepancy between the English and Spanish translation.

## Mutual Company Gathering Draws 1,000 at Columbus

**L. A. Mingenbach Is Elevated to the Presidency**

**By GEORGE WOHLGEMUTH**

COLUMBUS—Confidence of mutual insurance in its ability to serve the public in a changing world and belief in its alertness to serve the public interest within the framework of state regulation were expressed by C. J. Robideau, secretary North Dakota Farmers Mutual Fire & Lightning, in his presidential report at the annual meeting of the National Assn. of Mutual Insurance Companies.

Close to 1,000, the largest attendance on record, are present for the joint annual meeting of the association and Federation of Mutual Fire Insurance Companies.

Satisfactory progress in the attainment of objectives laid down a year ago was reported by Secretary H. P. Cooper, Jr., Indiana Farmers Mutual and Indiana Union Mutual. With the addition of 53 prospective new members making a total of 1,157 companies, membership will stand at an all time peak, he asserted.

Mr. Robideau appointed as committee chairmen: B. S. Flagg, president Merrimack Mutual, resolution; A. E. Anderson, secretary North Star Farmers

### NEW OFFICERS ELECTED

President—L. A. Mingenbach, vice-president Hardware Dealers Mutual Fire.

Vice-president—H. L. Kennicott, secretary Lumbermen's Mutual Casualty.

Secretary—H. L. Cooper, Jr., Indiana Farmers Mutual and Indiana Union Mutual.

Treasurer—I. G. Saltmarsh, Indiana Lumbermen's Mutual.

National councillor—B. Rees Jones, Town Mutual Dwelling, Des Moines.

New directors—L. T. Jones, Town Mutual Dwelling; H. J. Ferguson, Farmers Alliance, Kansas; F. C. Cromer, Los Angeles Mutual Fire; P. I. Rutledge, Farmers Mutual Hall, Columbia, Mo.; G. A. McKinney, Millers Mutual, Alton; M. A. White, Fremont Mutual, Michigan.

Mutual, Minnesota, investment; C. L. Mitman, Ohio Federation of Mutual Insurance Associations, credentials.

Awards of the Mutual Advertising Sales Conference were given as follows: Hardware Mutuals of Wisconsin, grand award; Casualty: A—Hardware Mutual Casualty, first; Utica Mutual, second; Michigan Mutual Liability, third; B—Employers Mutual of Wisconsin, first; Lumbermen's Mutual Casualty, second; Liberty Mutual, third; Fire: A—Grain Dealers National, first; Mill Owners Mutual, Iowa, second; Indiana Lumbermen's, third; B—Northwestern Mutual, first; Central Manufacturers, second; Hardware Mutual of Minnesota, third.

A key part of the program is the meeting of the various sections with panel discussions under the following chairmen: Automotive and casualty, L. M. Dunathan, Shelby Mutual Casualty, city and town; R. H. Bennett, Ventura County Mutual, California, general farm; H. H. Adderholdt, Georgia Farmers Fire, fire; Paul Krauter, Home Mutual Fire, Ohio, windstorm, and Glenn Sharrett, Farmers Mutual Hall, hail.

(CONTINUED ON PAGE 14)

## NO OPPOSITION SEEN

## Stott Seems Choice for New N.A.I.A. Vice-President

That John C. Stott, Norwich, N. Y., will be elected vice-president of the National Assn. of Insurance Agents at the annual meeting at Atlantic City next week seems as safe a prediction as any such forecast has been in N.A.I.A. history. William P. Welsh, Pasadena, will, of course, go up from vice-president to succeed President Guy Warfield, Baltimore. Never in history has the vice-president (or chairman of the executive committee prior to 1940) failed to become president the next year, nor has there ever been a serious attempt to upset this succession.

Speculation, therefore, has always been about the new vice-president, who has always been a member of the executive committee since there were anything like N.A.I.A. traditions. The upset of last year, when Mr. Welsh nosed out W. L. Ferguson, New Orleans, the pre-convention favorite, has made both members and observers

doubly cautious about predictions this year.

Despite this, Mr. Stott appears to be a safe bet on both positive and negative counts—his own position and the lack of any apparent opposition. Highly regarded from the start, he has grown tremendously in stature and popularity during the past year. He has made many appearances at state association meetings as the N.A.I.A. official representative and has not failed to make a decided hit, both on and behind the scenes. His work on the all-industry committee has given him a favorable standing with all other insurance interests and with supervising officials. He has done much to smooth the feelings left by last year's N.A.I.A. battle and appears highly acceptable to agency leaders everywhere.

J. F. Van Vechten, Akron, is the only other executive committee member with service equal to Mr. Stott's, and the Middle West is overdue for a president. However, Mr. Van Vechten's close associates insist that he has no desire for further national office and, in addition, is such a strong personal admirer of Mr. Stott that under no circumstances would he permit himself to be placed in opposition to him. The other executive committee members—

## Safford Retires as Travelers V.-P. for Health Reasons

Robert D. Safford, vice-president of Travelers Fire and one of the men who took a leading part in the organization of the fire staff when Travelers entered the fire business in the middle 20's, has decided, on the advice of his physician, to retire from active business.

Mr. Safford joined the company early in 1925 to establish and manage the western department in the home office.

In 1927 the fire company created an agency department separate from its underwriting departments and Mr. Safford was put in charge of production throughout the U. S. and Canada with the title of superintendent of agencies. He was appointed vice-president in 1934.

Mr. Safford began his insurance career in the home office of Michigan Fire &

R. S. Perkins, Manchester, N. H., O. S. Johnson, Clarksdale, Miss., and V. Lee, Chehalis, Wash.—are all "freshmen" and it appears unlikely that any of them will be interested in a campaign this year.

Marine at Detroit as a junior clerk in 1902, and after becoming a chief examiner in the underwriting department, he went into the field as a special agent in Ohio and Indiana.

In 1915 Mr. Safford became a special agent of Liverpool & London & Globe in Michigan and a year later was appointed state agent. In 1921 he went to Chicago as assistant western manager of



ROBERT D. SAFFORD

that company and in 1922 became assistant western manager of National Fire with headquarters in Chicago.

Mr. Safford has been active in various fire insurance organizations, including Fire Underwriters Association of the Northwest, of which he was secretary 1923-25, Western Underwriters Assn., of which he was vice-president, Dominion Board of Insurance Underwriters, Canadian Underwriters Assn., National Board, and Michigan Blue Goose of which he was most loyal gander in 1924.

## Hale's U. of Michigan Work Made Permanent

Clayton G. Hale, prominent Cleveland agent, has been permanently appointed to the faculty of the University of Michigan on a visiting basis. He has given a number of courses there and at other colleges during the past 10 years and is currently giving a series of 16 lectures to seniors and graduate students in the school of business administration at Ann Arbor.

During the early part of the war, Mr. Hale helped organize the navy insurance department and served as assistant chief for over a year. He has been active in educational and other work for the Ohio Assn. of Insurance Agents.

## Fete Hanley at Baltimore

Claude A. Hanley, new Maryland commissioner, was given a testimonial luncheon last week by the Binder Club of Baltimore.

At the speakers table were such celebrities as E. Ashbury Davis, president U. S. F. & G.; Harry F. Ogden, president Fidelity & Guaranty; William T. Harper, president Maryland Casualty; Guy T. Warfield, Jr., president National Assn. of Insurance Agents; former insurance commissioners John B. Gontrum and L. E. Ensor; Alva P. Weaver, Jr., president Maryland Assn. of Insurance Agents; Presley D. Bowen, president Assn. of Fire Underwriters of Baltimore; Arthur H. Seffin, most loyal gander of the Maryland Blue Goose, and Mayor D'Alesandro of Baltimore.

Mr. Hanley, in response, said he has inherited a well qualified staff and paid tribute to Hazelton L. Joyce, deputy commissioner for many years.

Films of the Texas City explosion will be shown at the November meeting.



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I was never more satisfied than when I "went to town" selling the Comprehensive Personal Liability policy. Of course, half the battle was getting people to understand the policy and their need for it. That wasn't too difficult because I slipped a copy of the booklet "Where there's LIFE there's LIABILITY" in an envelope and mailed one to each of my prospects. Its many illustrations and the complete absence of insurance jargon made a hit with everybody. I was surprised at the profitable reaction my phone and personal follow-up calls produced, and I was amazed at the extent to which the booklet had lowered sales resistance.

Sample copy available on request.

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## "Tough" Exam Causes Rebellion in Arizona

The Arizona corporation commission has countermanded an order of Commissioner Rummage to make insurance agent's examinations "tough" and has nullified the results of the first such "tough" examination which was passed by only one of 87 candidates.

Meanwhile, Mr. Rummage is reported to be desperately ill.

The decision of the board was made after a hearing was held at which mutual representatives expressed the strongest objection to the new program. Those appearing at the hearing included Virgil Bledsoe and Wally Clark, attorneys representing various mutual companies; E. E. Harrelson of State Farm Mutual Automobile; Irving A. Jennings, as a "friend of the court" for the commission and the stock companies, and Mike O'Sullivan, president of American Farmers of Phoenix.

The one candidate of the 87 who was licensed, got his certificate only after

convincing Lester B. Curtis of the state examining board that he had been improperly graded.

Wilson T. Wright, chairman of the corporation commission, stated the commission desires to have all of the 87 applicants given the opportunity to be re-examined immediately at no additional cost to them. The applicants had already paid \$10 each. It was indicated that the new examinations will be either one of the old tests, or questions from several such examinations.

Mr. Harrelson charged that Arizona Assn. of Insurance Agents is trying to control and dominate the field. Mr. Bledsoe declared that at one time in writing, Mr. Rummage had promised to appoint a mutual agent to the examining board, but later rescinded that action. Mr. Wright said he was sure the commission didn't know about that situation. Mr. Wright added that he had a conference with Mr. Rummage before the latter's illness and Mr. Rummage stated that "anything the commission decides" would be all right with him.

Mr. O'Sullivan contended that the line of responsibility in insurance selling should be from the agent to his company and from the company to the cor-

poration commission. Each company should determine whom it will hire for its agents, he contended.

### New Source of Losses

AUGUSTA, GA. — Automobile insurers, already plagued by an adverse loss ratio on comprehensive business, are confronted with a new source of claims. A teen-age fad in this city has already cost one insurance company more than \$1,000 in claims for ornaments stolen from automobiles to be used as bracelets. One make of automobile which has a circular gadget on the front of its latest model has suffered especially high losses.

William S. Ramey, secretary of Pioneer Equitable, is being married at Indianapolis Oct. 18 to Miss Louise Ellen Trimble, daughter of Mr. and Mrs. William Henry Trimble.

The Waukegan, Ill., Assn. of Insurance Agents has elected as president, William Schwartz; vice-president, Floyd Bregger; secretary, Arthur P. Rogers.

H. S. Bowen, president of the Bowen Co., Norwalk, O., spoke at the Oct. 3 meeting of the Insurance Women of Toledo.

## Bacon, Whipple See Promising Long Term Outlook

Bacon, Whipple & Co., Chicago investment concern, has gotten out an interesting pamphlet, "Insurance Stock Performance," that was prepared by H. W. Cornelius, who is a foremost specialist in insurance stock transactions.

The pamphlet includes an historical glimpse of the stock market performance of 18 prominent fire companies showing the year organized, years of consecutive dividends, dividends paid in 1946, price range from 1936 to Aug. 31, 1947, the present market, liquidating value, earnings per share in 1946 and five year average earnings.

Mr. Cornelius expresses the belief that the long term growth trend of the past in the fire insurance industry will continue in the direction of a greater use of insurance with respect to the number of people making use of existing forms, and the widening degree of coverage provided.

The earnings record of the industry is outstanding, he observed. Because of excellent diversification and shrewd choice of investments, the average fire insurer has succeeded in protecting its assets and achieving a satisfactory annual return.

Net investment income of the average company has been trending gradually upward in recent years and indications currently are that a further improvement will be recorded in 1947. Since this is the principal source of dividends, current rates are generally believed secure.

He remarked on the unfavorable loss ratio and said there is no indication at present that the losses will soon turn downward, but on the favorable side he cites the rate increases that have been allowed in a number of states this year. If such a development is extended and there is a leveling off of losses together with a further gain in premium volume and a continued low expense ratio, a definite turn toward a resumption of profitable underwriting might be expected in 1948 or 1949. Also the automobile physical damage rates have been increased in practically all states. Thus, Mr. Cornelius states, while the underwriting outlook is still uncertain, the longer term outlook appears definitely promising.

### Makes Plans for Zone 2 Meeting at Philadelphia

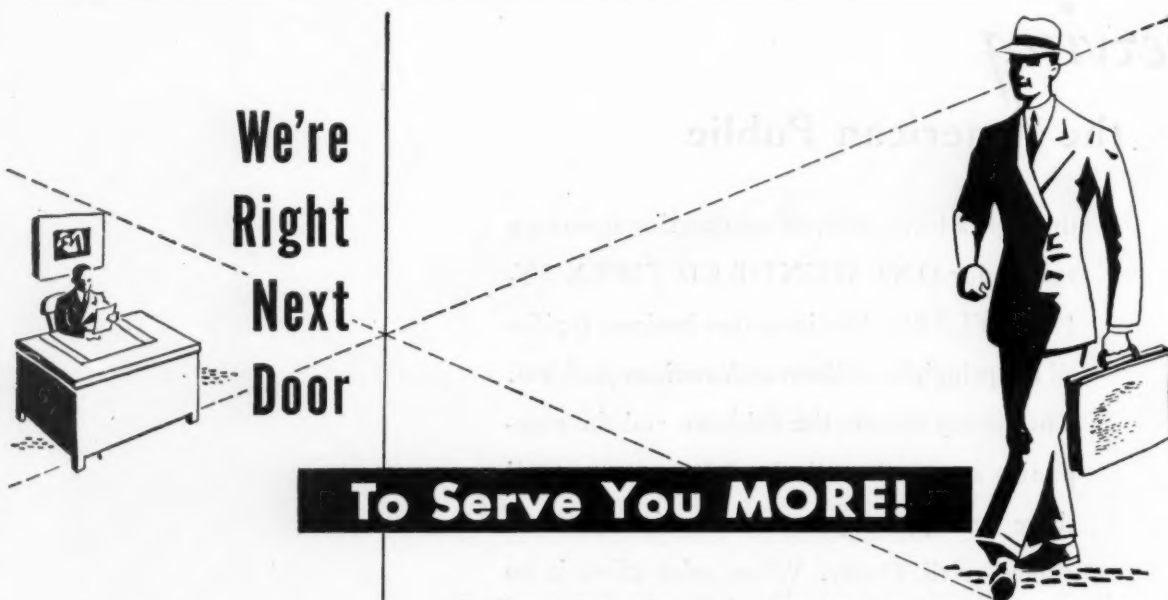
The Zone 2 commissioners are having a meeting at Warwick hotel, Philadelphia, Oct. 21-23 and a number of events have been arranged by Pennsylvania insurance interests. There will be a reception and dinner Oct. 21, followed by a theater party and a sightseeing trip for those that arrive in the city that afternoon.

The commissioners will hold business sessions morning and afternoon Oct. 22 and this will be followed by cocktails and a banquet at which the speaker will be Rear Admiral Ellis M. Zacharias, retired, whose subject is "Secret Missions: Past and Future Security."

The morning of Oct. 23 there will be another business meeting, and golf at Pine Valley Country Club has been arranged for those that desire to stay over.

Robert Dechert of Penn Mutual Life is chairman of the general convention committee. Oscar A. Kottler of the Pennsylvania department is vice-chairman, and Homer W. Teamer, manager of Insurance Federation of Pennsylvania, is secretary.

J. W. J. Levine, general manager of Atlas at the head office in London, and R. R. Martin, United States manager of Atlas, stopped off in Chicago on their way to New York from the west coast and an extended tour of the country.



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The Concordia Fire Insurance Co. of Milwaukee  
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The Metropolitan Casualty Insurance Co. of N.Y.  
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## Paul Nystrom Is Added to N.A.I.A. Program

NEW YORK — Paul H. Nystrom, president of Limited Price Variety Stores Assn., and professor of marketing at Columbia University, will be one of the speakers at the final session of the convention of National Assn. of Insurance Agents, Oct. 15 at Atlantic City.

Mr. Nystrom's subject is "The Present Inflation, Its Causes and Cures."

Mr. Nystrom is chairman of Sales Executives Club, New York, and is a past president. He is chairman of the federal board for vocational education and chairman of the department of marketing, Columbia University, in addition to being the owner of Nystrom Farms and a chain of restaurants in northern New Jersey. He is chairman of National Retail Trade Assn.

"Catastrophe Unlimited", a motion picture in color showing highlights of the San Antonio hailstorm, the Woodward tornado, and Texas City explosion, will be presented Sunday afternoon and evening at Haddon Hall hotel through the courtesy of General Adjustment Bureau.

Frank S. Wilkinson, Rocky Mount, N. C., chairman of the farm and small town agents committee, said a breakfast for the discussion of subjects having to do with farm underwriting and small town agents will be held at Haddon Hall Tuesday morning, Oct. 14.

## Bigelow Estate \$2 Million

F. R. Bigelow, chairman and president of St. Paul F. & M. for 30 years, left an estate of \$2,272,000, according to an appraisal filed in probate court at St. Paul. The major part of the estate was left to charitable and educational institutions. Mr. Bigelow died Sept. 8, 1946.

## Agent Gives Slant on Commissions

On the currently torrid subject of commissions in excepted cities, a prominent middle western agent in such a city writes THE NATIONAL UNDERWRITER:

"I have always felt that higher commissions in the excepted cities are hard to justify in the eyes of the public and I have also felt that the rates in the excepted cities were higher because they were loaded for these higher commissions. As a matter of fact, it seems to me the insurance producer has much greater opportunities for volume in the large cities than he could ever hope to have in the small towns, and he could more than make up in volume what additional expense he might have to meet because of higher costs in the large cities. Now that the fire losses are exceeding all records, and the income of the fire insurance companies is down and the reserves required are increasing because of the increase in business, it seems to me the insurance companies missed a golden opportunity to bring the commissions in the excepted cities down from 25% and 35% to 20% and 30% or, in lieu of that, to bring the preferred commissions down from 35% to 25%. If they had gotten together and published the fact that, instead of passing all the additional cost on to the consumer, they were absorbing some of the cost themselves by taking a reduction in commissions and cutting down the acquisition cost, they would have made good with the people who have the greatest influence of all—the public.

"The excessive commission paid in the excepted cities has lured every Tom, Dick and Harry into the business and has also enabled the mutual companies to undersell us.

"I am supremely confident if the commissions were reduced and the fire insurance rates increased say 5% on contents and 10% on buildings, we would

## MacLean Succeeds Orr as National Union Treasurer

Thomas L. Orr has resigned as treasurer of National Union Fire, but will continue as chairman of the finance committee. Mr. Orr is president of Millers National Bank & Trust Co.

William MacLean has been elected to succeed Mr. Orr as treasurer. For the past 18 years he has been with Joseph Frogatt & Co., since 1942 as manager at Philadelphia.

### Thomas Assistant Secretary

James B. Thomas has been elected assistant secretary in the fire underwriting department. He joined National Union in 1936 as Missouri state agent and on the first of this year went to the home office as manager of the brokerage and general cover department.

W. A. Strouss, assistant treasurer, has retired at his own request. Mr. Strouss has been with National Union for more than 40 years. He will make an extended tour of the United States.

## Davis to National Board Public Relations Post

Norman C. Davis has been appointed by the National Board to take charge of the educational activities of the public relations department.

Mr. Davis is a graduate of Rutgers. He has been insurance instructor for Mutual Benefit Life and assistant secretary of Life Office Management Assn., and also personnel director of the Hospital Service Plan of New Jersey.

more than make up by increased volume the temporary loss by reason of the cut in commissions."

## Glens Falls Offers New Shares

Glens Falls is mailing to stock holders warrants entitling them to subscribe to 150,000 shares of its \$5 stock at \$35.50 per share. Morgan Stanley & Co. heads a group of underwriters that will purchase any unsubscribed stock.

The subscription warrants, which expire at 3 p.m. Oct. 22, entitle stockholders to subscribe for the stock at the rate of three shares for each 10 shares held of record at close of business Oct. 6.

Glens Falls has paid a dividend every year since 1866 and in each year beginning with 1925 dividends of at least \$1.60 a share have been paid. Glens Falls stockholders received extra dividends during seven of the last 11 years. The directors presently intend to declare the next quarterly dividend of 40c a share for payment in January, 1948 on the 650,000 shares of stock to be outstanding.

## Ky. Mutual Agents Elect

LOUISVILLE—V. L. Slade, Lexington, was elected first president of the Kentucky Assn. of Mutual Insurance Agents at a meeting here. L. Marion Oliver, Berea; John L. Kessler, Owensboro, and Milburn Stone, Louisville, are vice-presidents and T. I. Ball, Louisville, secretary.

Insurance Director Wilson spoke at the conference. Mrs. Gertrude Porter, manager assigned risk pool, reported 2,500 Kentucky motor vehicle licenses have been suspended for one year since the safety responsibility act became effective Jan. 1.

Eugene J. Gerstman and Hubert A. Gerstman have joined the Buffalo Insurance agency of Lasser, Gerstman, Brizdie. They are sons of E. J. Gerstman, vice-president.



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- ★ PHILADELPHIA FIRE AND MARINE INSURANCE COMPANY
- ★ THE ALLIANCE INSURANCE COMPANY OF PHILADELPHIA

## Accountants Are Holding Parley

Insurance Accountants Assn. is holding its annual three-day conference at Atlantic City this week. Robert C. Ratcliffe, Royal-Liverpool, the president, opened the convention, followed by

John A. Diemand, president of North America.

The business of being in business and staying in it becomes increasingly difficult, Ray R. Eppert, vice-president of Burroughs Adding Machine Co., said in discussing "The Accountant and the Business Machine." As the difficulty increases, so does the importance of the accountant and of the business machine.

Both received tremendous stimulus from the growth of the corporate form of ownership and from the internal revenue act of 1913. The corporations spread profit possibilities and the risks of ownership and thus increased the number of persons who are interested in the affairs of an enterprise. The internal revenue act of 1913 imposed upon everyone the necessity of fuller reports to the government.

The demands made of the insurance accountant are exceptionally great, Mr. Eppert said. Directors and stockholders, the collector of internal revenue, policyholders and regulatory, advisory and taxing bodies all require information.

### Due to Increased Salaries

Due to increased salaries it now costs roughly twice as much to write a letter or make a double-entry or produce a statistic as it did in 1939. Thus industry is faced with the task of offsetting wage costs by increasing the efficiency and production of the clerical worker. This can be done by improvement in methods and placing in the employee's hands the most efficient tools available to do his work.

After describing some of the modern accounting machines, Mr. Eppert discussed the electronic devices. In addition to the electronic numerical integrator and computer (ENIAC), which has had considerable publicity, he discussed the electronic discrete variable computer (EDVAC). This is an electronic robot capable of memorizing a thousand 10-digit numbers, storing amounts in 128 different registers, adding 10-digit numbers in 32-millionths of a second and multiplying them in 1/1000 of a second. The important difference between EDVAC and its predecessors lies in its greater speed of input and output. The speed was increased several hundred times when, instead of using paper tape, magnetic tape or wire was substituted. A spool of wire weighing less than half-a-pound, which could be stored in a small metal box, will house the information which would require 50,000 completely filled 82-field tabulating cards.

### Production Quotas

National Surety has developed a system of production quotas for key punch operators to be used as a base for determining the proper salary grades of such employees, through time study methods, according to C. G. VanderFeen, comptroller of that company. The system is tied up with a company-wide merit rating plan on which key punch operators are scored at the time of taking each test on initiative, personal attitude, application, dependability and attendance. Mr. VanderFeen pointed out that key punching is a monotonous type of work, and in common with other businesses, insurance has been forced to mechanize all possible functions in the interests of speed and economy in the handling of millions of transactions. Consequently it is hard to secure and retain efficient operators.

The salary grades used are based on reasonable production quotas that will necessarily vary by company or office, plus the continued qualification of the employee.

## Rygel Heads Life Members

John Rygel, vice-president and western manager of Hanover, was elected president of the Society of Life Members at the annual banquet at Chicago Tuesday. He succeeds Charles W. Ohlsen, western manager of Sun.

The new vice-president is C. J. Lingenfelder, America Fore, and W. J. Sonnen-



W. J. Sonnen



John Rygel

nen, retired Chicago manager of St. Paul F. & M., continues in his perennial position of secretary. D. J. Harrigan, St. Paul F. & M. state agent in Illinois, is assistant secretary and R. F. Woltersdorff, retired assistant western manager of Atlas, is treasurer.

The principal entertainment feature was a travelogue lecture by Robert Kohler of Milwaukee. He presented very interesting pictures of Peru and South America.

The attendance was 54. In the absence of Mr. Ohlsen, presiding duties were assigned to Mr. Rygel who gave a preview of what may be expected of him when he has a year's notice. Mr. Sonnen, reporting as secretary, said membership is 629. In 1929 when the last meeting of the Fire Underwriters Assn. of the Northwest was held the membership was 1,197. The only new member is Jay M. Allen, local agent of Decatur, Ill., who was once special agent for St. Paul F. & M.

The memorial services were conducted by Roy Nicholson, Michigan F. & M., Milwaukee.

### Veterans Give Reminiscences

Mr. Rygel called on three retired veterans to give reminiscences, they being W. H. Lininger of Evanston, Ill., and Tucson, former manager of Springfield F. & M.; Horace Boyd of Newcastle, Ind., former assistant western manager of Royal, and George Haas of Chicago and San Diego, former manager of Atlas.

Mr. Lingenfelder presided as president of the Northwest association. Its new officers are J. H. Burlingame, Western Adjustment, president; Carl Ingram, Great American, vice-president; Frank Cargill, North British, secretary, and C. W. Ohlsen, Sun, treasurer. New directors are Messrs. Rygel, Harrigan, Lingenfelder, Philip Metzger, London & Lancashire; J. R. Cashel, Providence Washington, and H. A. Clark, Firemen's.

The principal function of the Northwest Association is to administer the fund that has been accumulated.

### Talk on Provisional Form

LOS ANGELES—Southern California Fire Underwriters Assn. heard Ed Lilly, general adjuster in Los Angeles of the General Adjustment Bureau, talk on "The Provisional Form in Adjustments." He said one of its uses is to care for the rise and fall in valuation of stocks of assured. He stressed two points, that in respect to the limit of liability and the necessity of regular monthly reports by assured. He held the companies should insist that the monthly report be made.

The nominating committee reported this slate: President, Alton Stich, Springfield; vice-president, Karl Glassbrenner, Glens Falls; secretary-treasurer, H. Chilgore.

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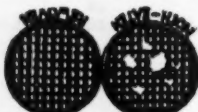
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We serve leading Companies and Adjusters throughout the Country. References gladly furnished.

## Tenn. Auto Dealers License Appeal Heard by High Court

KNOXVILLE—A four-judge panel of the Tennessee supreme court, sitting here, heard the appeal from the court of appeals at Nashville of the suit brought by Tennessee automobile dealers against Commissioner McCormack for refusing them license to sell insurance for Motors of New York.

Heading the legal staff in behalf of the department was Attorney General Beller and representing the stock company agents was Cecil Simms of Nashville. John J. Hooker of Nashville represented the auto dealers. A decision may be handed down in 60 to 90 days.





*There is only one sensible rule about smoking in bed:  
DON'T DO IT. This advertisement is published in the hope  
that it will save life and property, and prevent suffering.*

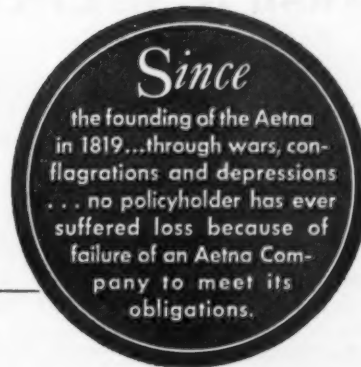
## Aetna Insurance Group



HARTFORD, CONNECTICUT

AETNA INSURANCE CO.  
THE CENTURY INDEMNITY COMPANY  
STANDARD INSURANCE CO. OF N. Y.

THE WORLD FIRE & MARINE INSURANCE CO.  
PIEDMONT FIRE INSURANCE COMPANY



*"This is one of a series of advertisements published by the Aetna Insurance Group  
to help conserve life and property." W. Ross McCain, President.*

## Cragin Elected by Nevada Agents

Ernest W. Cragin, local agent and mayor of Las Vegas, is the new president elected by the Nevada Insurance Agents Assn. at the annual meeting at Reno. He succeeds Howard Parrish of Reno.

New secretary and treasurer is George Brown, Jr., Las Vegas, and national state director is Thorne Bisby of Reno.

There were 60 agents attending and the meeting was described as the best in history. Wives on hand raised the number of guests at the banquet to more than 100.

New regional directors are Guido Lucini, Reno, western Nevada; Milo Taber, Elko, northeastern; E. W. Taylor, Ely, southern; and E. H. Hursh, Fallon, central.

H. Moss Cowart & Co., Birmingham, Ala., general agents, have been appointed general agents for Penn-Liberty.

## Mutual Loss Program Given

The program has been completed for the loss managers conference of Mutual Loss Research Bureau at Hotel Sheraton, Chicago, Oct. 20-22.

H. D. Heath, Northwestern Mutual Fire, Chicago, heads the committee in charge.

Talks include: "The Why and How of the Written Statement," Herbert L. Bloom, Kemper Companies, Chicago; "Present Day Adjustment Problems," Donald B. Sherwood, National Board; "Problems arising under the new New York standard fire insurance policy from the necessity of evaluating the interest of the insured upon the happening of a loss," Paul Heineke, Chicago attorney; "Play by Play through a U. & O. Adjustment," Charles Peck, Wagner & Glidden, and Maurice Stans, Alexander Grant & Co., U. & O. accounting specialist, Chicago; "Mutual Loss Research Bureau," Gordon Davis, manager; "Mutual Investigation Bureau," Richard C. Steinmetz; inland marine panel discussion, moderator, F. D. Hawkins, United Mutual; Wm. H. Rodda, Transportation Rating Bureau; Clarence R. Conklin, Chicago attorney; T. L. Osborn, Jr., National Retailers; "Common Fire Hazards," Edward R. Furman, Northwestern Mutual; "Automobile Material Damage Claims," Edward J. Fahey, T. T. North & Co., Chicago; fire and allied lines panel discussion, F. D. Hawkins, Herbert C. Cunningham, Michigan Adjustment Bureau, Lansing; and Victor A. Snyder, Main & Baker, Minneapolis.

## Fla. Agents See Hurricane as Proving Argument

The theory is being advanced by a number of agents on the east coast of Florida that the most recent hurricane should cause the companies to underwrite the windstorm liability in that region more generously. They say that the fact that the storm caused such little damage relatively proves the contention of the agents that the strict building codes in southeastern Florida cities have brought about better construction.

For the past six months some of the companies have restricted agents on windstorm business, not accepting any new lines, but simply taking care of renewals.

In Ft. Lauderdale and vicinity, the number of claims is estimated at about 600. Most of these are roof losses with resultant water damage. Most of the losses will average about \$300, it is estimated. There is considerable damage to some of the hotels and apartments that were located directly on the beaches, but here most of the damage was from water after the roof or windows were broken. Most of the damage in this area was to trees and shrubs.

## N. A. I. A. Completes 12 Hour Public Relations Course

The N.A.I.A. educational division has completed a course on public relations. This is completely new and separate from the introductory and standard courses. The course will serve to make clear what public relations is, and how it can help the agent increase the profits and stability of his business.

It is designed for local study groups and calls for six two-hour organized class sessions, featuring full text material, group discussion outlines and a leader's guide.

Why people think the way they do makes up the first two-hour section. Typical experiences of agents are set forth. The second part is devoted to examination of the word "public," with emphasis on opinion groups who are clients, and prospects for insurance.

"What do people expect from insurance agents?" is the theme developed in the third section, while the fourth and fifth portions are devoted to posi-

tive public relations, and what insurance agents can do to improve the public's opinion of them through active participation in fire and accident prevention campaigns.

State secretaries and managers will be given a preview of the feature at a breakfast conference given in their honor Oct. 15 at Atlantic City.

## Bell Steps Aside After Many Years at Wheel

In reporting the annual meeting of West Virginia Assn. of Insurance Agents, due to a typographical error, it was stated that W. G. Caperton of Charleston had been "reelected" state national director. This was not quite a correct statement. He was appointed state national director a few months



F. R. BELL

ago when F. R. Bell resigned because of the press of his own business and to allow some of the younger men to go to the front, and he was thus "elected" at the recent meeting.

Mr. Bell is a past president of National Assn. of Insurance Agents and has always been a major factor in the activities of the West Virginia organization.

General Adjustment Bureau has opened a branch at Baker, Ore., in charge of William Fulenwider as adjuster-in-charge. He attended Portland University. Lately he has been located at Portland for G.A.B.

Davenport Insurance Corp. of Richmond has been named general agent for Fidelity Mutual Life; and Arthur D. Thomas, who has been with Massachusetts Mutual Life since 1931 except for the time he was in the navy, has been appointed manager of the life department.

## CLAIM MANAGER

Well established casualty company is looking for a top-notch claim man to manage their Chicago claim office. Here is a real opportunity for a man with this experience.

## FERGASON PERSONNEL

Insurance Personnel Exclusively  
330 S. Wells St. Chicago 6, Ill.

*These securities having been sold, this advertisement appears as a matter of record only and is not to be construed as an offering of these securities for sale, or as a solicitation of an offer to buy, any of such securities.*

### NEW ISSUE

September 30, 1947

## 180,000 Shares National Union Fire Insurance Company of Pittsburgh, Pa.

### Capital Stock

(\$5 par value)

Of the above mentioned shares of Capital Stock, 173,533 shares were subscribed for by stockholders of the Company pursuant to its Subscription Offer which expired September 29, 1947. The remaining 6,467 shares were purchased by the several underwriters and have been sold to a limited number of purchasers.

## The First Boston Corporation

## MARSH & McLENNAN INCORPORATED

### Insurance Brokers AND AVERAGE ADJUSTERS

|             |            |               |              |
|-------------|------------|---------------|--------------|
| Chicago     | New York   | San Francisco | Detroit      |
| Washington  | Pittsburgh | Minneapolis   | Boston       |
| Buffalo     | Cleveland  | Columbus      | Indianapolis |
| Milwaukee   | Duluth     | St. Paul      | St. Louis    |
| Los Angeles | Phoenix    | Seattle       | Portland     |
| Vancouver   | Montreal   | Havana        | London       |

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## Freedom Train Well Protected Physically and by Insurance

NEW YORK—The Freedom Train is a well protected venture, both physically and with insurance. The contents are, of course, of the greatest value, and the 113 items have been insured under a schedule fine arts policy.

This is the standard all risk contract with certain modifications and the usual exclusions include among other things war. The values placed upon such items as the Bill of Rights and the Declaration of Independence had to be arbitrary amounts. The exact figures were not divulged by American Heritage Foundation, sponsor of the train.

One modification of the policy covering the exhibits was to hold the railroads harmless of liability for loss of or damage to the various items.

Hutchinson, Rivinus & Co., Philadelphia and New York brokerage firm, placed the contents insurance and handled some of the coverage in which railroads are interested. Some 14 different companies are on the contents insurance, with Chubb & Son handling the underwriting.

Getting indemnified in money for a lost or damaged exhibit is of small interest to the insured. The utmost in precautions have been taken to protect

the historical and priceless documents and return them safely to the archives. The train is air conditioned, and there is auxiliary air conditioning equipment in case the locomotive breaks down. There is no outside glass in the train. Windows are sealed with steel. Exhibits are mounted behind bullet proof glass. They are covered with a special lucite that keeps out harmful rays. The train has an intercommunicating system of the finest sort throughout and the very latest fire fighting apparatus and alarm system.

Pennsylvania railroad furnished the coaches and Santa Fe the baggage car. American Locomotive Works supplied the locomotive. Each insures its own equipment.

The liability of the railroad companies that own the tracks over which the Freedom Train moves is assumed by each company in its customary manner. Railroad Insurance Assn. has the coverage on two of the lines. American Heritage Foundation insures the third party liability when the train is standing, and Assn. of American Railroads carries a policy to cover when the train is rolling.

Huge throngs of visitors have jammed the train everywhere it has stopped for exhibit, and hundreds after waiting for hours to get in have been turned away.

## Mexico City Change

Dargan & Co., adjusters, New York, has appointed N. Garcia Naranjo, Jr., manager at Mexico City, succeeding A. E. Scalante Bates, resigned. The office has been moved to Calle 16 De Septiembre No. 10-404. Mr. Garcia Naranjo was educated in Canada, Fordham and National University at Mexico City. He was with La Provincial for some years and eventually became loss manager. Recently he has been practicing law at Mexico City.

## Names Mantz in Tenn.

G. W. Mantz has been named special agent at Nashville for American. He has been with that company in the home office underwriting department except for a period of military service.

## New Farm Bureau Insurer

Southern Farm Bureau Casualty has been organized to write insurance on automobiles, trucks and tractors belonging to farm bureau members in Arkansas, Mississippi, Texas and Florida. Headquarters will be at Jackson, Miss. The company will be capitalized at \$300,000. Arkansas farmers invested \$75,000 in the project.

Organization was perfected at Memphis. Joe Martin of Grady, Ark., is president and Ransom Aldrich, president Mississippi Farm Bureau Federation, vice-president. Paul Edwards, who has been secretary of Southern Farm Bureau Life, will be executive vice-president and manager.

## Two Ala. Bills Pass

The Alabama legislature, which adjourned Oct. 2, enacted a bill to provide for appropriations for the bureau of rates.

Another bill was enacted to permit insuring city school property in the state fund, but this is not mandatory.

## See to Coast Claims Post

Arthur W. See, claims manager at Chicago for Trinity Universal since 1940, has been appointed manager of the claim department of Swett & Crawford at Los Angeles. Swett & Crawford are underwriting managers for Pacific Indemnity. Mr. See's appointment is effective Oct. 15.

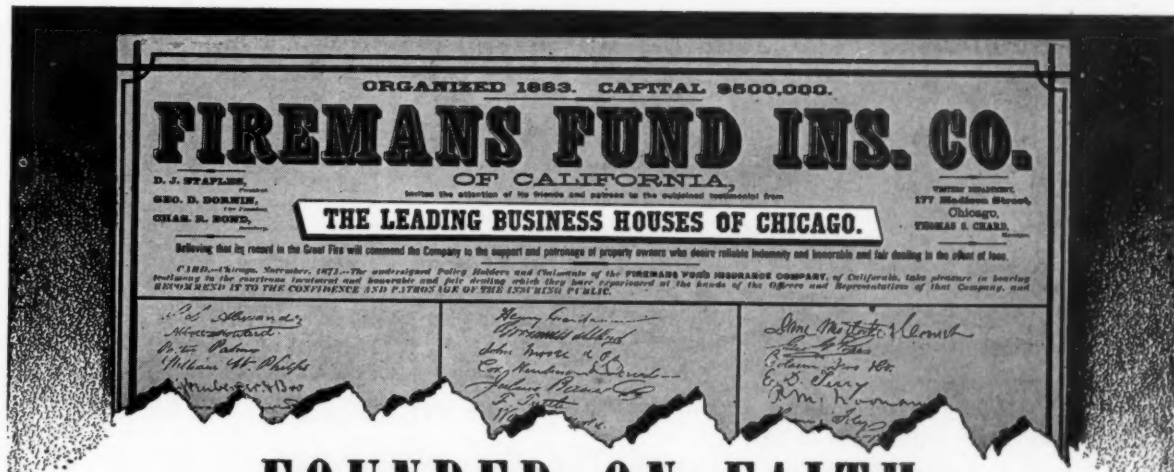
## Continue Reager Agency

The Allen M. Reager Co., Louisville, capital \$100,000, has been incorporated to take over and continue the agency of the late Allen M. Reager, who died in September of a heart attack. Incorporators include Harry J. Metcalf, who was a partner with Mr. Reager in the agency.

## Open Cal. Highway Bids

LOS ANGELES—Morrison-Knudsen Co. was low bidder for highway construction in San Bernardino county, Cal., with a bid of \$872,967. Fidelity & Deposit will execute the bond.

Ell Shupe, Milwaukee, special agent of Home and co-chairman of the public relations committee of the Wisconsin Fire Underwriters Assn., discussed "Facts on Fire" at the opening fall dinner meeting of the Insurance Women of Milwaukee. Members of the Insurance Women of Madison were guests.



## FOUNDED ON FAITH

### The Western Department of Fireman's Fund marks its 75<sup>th</sup> Anniversary

On October 8, 1871, Mrs. O'Leary's cow kicked over a lantern that started the great Chicago conflagration and incidentally inspired the establishment of the Western Department of Fireman's Fund Insurance Company. Then only 8 years old, Fireman's Fund demonstrated its Strength, Permanence and Stability by promptly paying over half a million dollars in claims, an amount that even exceeded its capital. With losses so severe that 149 insurance companies failed, were suspended or withdrew to their home states, the Fireman's Fund

achievement stood out like a beacon light. A testimonial containing 144 signatures was presented to the Company by business firms in appreciation of Fireman's Fund paying all its losses in full. Fireman's Fund responded by opening its Western Department in Chicago on July 1, 1872, a Department founded on faith in the face of ruin and destruction. With that faith more than vindicated through the years, Fireman's Fund salutes its Western Department on the occasion of its 75th Anniversary.



DEPENDABLE INSURANCE SINCE 1863

**FIREMAN'S FUND GROUP**

FIREMAN'S FUND INSURANCE COMPANY  
HOME FIRE & MARINE  
WESTERN NATIONAL  
FIREMAN'S FUND  
WESTERN NATIONAL

SAN FRANCISCO NEW YORK CHICAGO BOSTON ATLANTA LOS ANGELES

## 1,000 Attend Mutual Company Rally

(CONTINUED FROM PAGE 3)

W. C. Searl, secretary Auto-Owners, becomes the new chairman of the automotive and casualty section, and Henry B. Sibbel, Lititz Mutual, chairman of the city and town group.

A feature of the convention is the breakfast attended by representatives of the 45 members a century or older. Fitchburg Mutual founded in 1847, became a member this year.

Orlanda Shelton, Dan River Farmers Mutual, Virginia, gave the invocation. W. A. Rutledge, Farmers Mutual Hail, Iowa, only living founder of the National association, gave the response to the welcome of Mayor Rhodes of Columbus. Mr. Rutledge said the convention had been held in Columbus four times, the first time in 1900 with 28 members. This number had jumped to

204, to 780, and to 1,000 in successive meetings and it was always welcomed in Ohio's capitol.

Lt.-Gov. P. M. Herbert was introduced by H. W. Huntington, Ohio Grain Dealers, he being arrangements committee co-chairman with Herman Skinner, president Belmont Insurance Assn.

Citing the terrific toll taken annually by fire and accidents, H. M. Pontious, safety director of Farm Bureau Mutual, emphasized the necessity of preventive measures. The A.B.C. of fire and accident prevention, he said, is "ability to recognize hazards; by eliminating hazards, and conduct ourselves safely." He recommended membership in National Fire Protection Assn. and National Safety Council, participation in the governor's conference on fire safety and in community organizations for preventive measures, along with similar state and federal activities. A safety director will probably be appointed by the association and will be an important cog in carrying on this work, he stated.

Mrs. Fred C. Cromer, Long Beach, Cal., was elected president of the ladies auxiliary succeeding Mrs. Guy C. Ealy, Lancaster, Pa.

### Turnover of Commissioners

A. L. Kirkpatrick, manager of the insurance department of the U. S. Chamber of Commerce, termed one of the potential headaches of the new state regulation the rapid turnover of insurance commissioners. For the most part, the officials in office today have gone through the period which produced public law 15 and understand pretty well what is to be expected of them, he declared. But the official life of a commissioner is only about two years, which means a steady influx of newcomers from year to year, each responsible to a governor who may have only a general idea of the problems and importance of keeping insurance regulations by the states on a sound basis. He said there will be constant temptation to use the new regulatory powers with an eye on the effect it will have on voters. The public official who keeps one eye on political expediency rather than sound business principles is a threat to the whole system of state regulation.

It will require great wisdom and courage on the part of state officials to keep the delicate balance which had been achieved between the association stock companies on the one hand, and the mutuals and independents on the other, Mr. Kirkpatrick declared. An important factor in determining the success of the state officials will be continuation of the high order of statesmanship on the part of leaders in the insurance business which was demonstrated in the formulation of the present laws. "More recently, there has been a growing tendency to let short-sighted self-interest dominate rather than the long term realization that unless the present system can be made to work, the business faces the rigid control of a powerful, centralized and entrenched bureaucracy in Washington," he said.

### Work of Farm Mutuals

Addressing the general farm group, Ralph R. Botts of the bureau of agricultural economics of the department of agriculture, made a number of suggestions for improving the administration and servicing of farm mutuals. He called for a more complete and broad protection, saying that if service to farmers is the measure of the value of the farm mutual, the day may come when farm mutuals will offer coverage on livestock in transit, all-risk livestock and other coverages that can be offered in areas as small as a county. Farm mutuals may even act as agents for ceding companies in connection with additional coverages. He said that the Senate bill amending the federal crop insurance act provided for encouraging private companies to reenter the field of all-risk crop insurance and for reinsuring such companies in 20 counties on an experimental basis in 1948.

He said that the marriage of fire and casualty lines has already occurred in

Texas and is on its way in other states. He commented that "when a farmer is able to get fire insurance, workmen's compensation, accident, liability and automobile, all from the same stock company (and probably eventually in the same policy) farm mutuals may be put in a bad spot."

### Advantages of Classification

Mr. Botts advised companies operating on a one-rate system with an average or higher than average cost, to investigate rate classification. The classification of risks is obviously more equitable, but the question for the farm mutual is whether in classifying the bookkeeping will be so complicated that the increased cost more than offsets the gains to the better risks. He said he knew of no company that has tried classification and has later gone back to using one rate.

Mr. Botts termed it doubtful whether the advantages which farm mutuals now enjoy could be retained if they do not remain farm mutuals in fact as well as in name in his comments on the dangers of attempts to transform farm mutuals into general writing mutuals.

In an ambitious talk which embraced nearly every phase of business activity, J. C. Beall of the investment department of Farm Bureau Mutual Automobile, drew from his summary the warning to insurance companies that this is the time to approach expansion cautiously because there is every indication that a downturn in prices and contraction of business activity is due within the next year. He indicated that he believed that this recession would develop only a slight price reduction of a selected nature and an orderly balanced adjustment of business, warning, however, that there are many who see it as more severe and scarcely anybody who doesn't agree that some form of recession is in the offing.

Addressing the general farm group, Harry P. Cooper, secretary of National Assn. of Mutual Insurance Companies, termed prevention the outstanding field for enlargement of "mutual service."

Some of the mutual companies participate in research work to develop ways and means to reduce misfortune. Many companies make safety devices available to members and several encourage loss resistive construction materials. Others encourage loss protection facilities, such

(CONTINUED ON PAGE 21)

## TAXICAB PROBLEMS?

We have the market that you have been seeking for B.I., P.D., Fire, Theft and Collision on cabs.

Call, wire or write.

**INSURANCE  
RESEARCH SERVICE  
DIERKS BUILDING  
KANSAS CITY 6, MO.  
GR. 5332**

**FACTUAL APPRAISALS**

Impartial Valuations of Industrial and Commercial Property. Thirty-Six years of factual appraisal service to America's more conservative business institutions.

**SOUND  
COMPETENT  
RESPONSIBLE**

**The Lloyd-Thomas Co.**  
APPRAISAL ENGINEERS  
CHICAGO 40



Mr. Homeowner, it's squarely up to you

**WHAT** have you done to prevent the loss of your home—a possible loss of life?

Here are the principal causes of fires—the rest is up to you. Do it now.



Careless use of matches and careless smoking habits.



Faulty heating and cooking equipment—stoves, furnaces, chimneys, flues and pipes.



Misuse of gasoline and all inflammable fluids.



Defective wiring and electrical appliances.

**PREVENT A FIRE—HELP SAVE A LIFE—SAVE A HOME**

**MILLERS NATIONAL INSURANCE CO.  
ILLINOIS FIRE INSURANCE CO.**

HOME OFFICE: 137 W. JACKSON BLVD., CHICAGO

We will gladly furnish Reproductions on request.

1794

153RD ANNIVERSARY

1947

**THE INSURANCE COMPANY  
OF THE STATE OF PENNSYLVANIA**

308 WALNUT STREET, PHILADELPHIA 6, PA.

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## Device for Detecting Smoke Perfected

### Hendricks Engineering Corp. Saves Department Store Damage

An electronic eye for smoke detection purposes which has come to be widely used on sprinklered windowless department stores because it prevents heavy smoke damage to merchandise,



ALLEN E. HENDRICKS

has been developed by the Hendricks Engineering Corp., 6544 Sheridan road, Chicago.

Its use in mercantile establishments is a development from the original purpose of Allen E. Hendricks, president, in originating the device in 1937 to detect any smoke coming through the recirculation duct of an air conditioning system, picked up from fires or smoldering material in a building, or even from nearby outside fires.

As originally arranged, the electronic eye shuts down the fans of the air conditioning system and thus prevents distribution of the smoke throughout the building. At the same time it gives an alarm to a central office service. The engineering firm also arranged so that if a sprinkler head should operate through fire or breakage of the link or capsule, an alarm similarly would be given and the air conditioning system would be shut down.

#### Much Experimental Work

It is just one item developed in the continuing research and experimental work which Hendricks Engineering Corp. is conducting for the purpose of perfecting new devices for fire prevention and control.

Mr. Hendricks has been named as a member of a technical subcommittee of the National Fire Protection Assn. committee on signaling systems and thermostats, to compile standards for the National Board covering the use of smoke detection devices as fire alarm systems. His long technical experience in that field is believed to be of great use to the N.F.P.A.

He also is a member of the committee on safety to life, and, as well, of the membership committee.

Mr. Hendricks was consultant to the Greater Chicago Hotel Assn. in having the building code as it applies to hotels changed so as to be more practical and yet provide adequate protection for the public. The Chicago hotels now, as a result of his work, are being permitted to enclose stairways and elevators with fire resistive walls and doors under code provisions which do not work too great a hardship on the hotels as did the previous provisions, and most hotels now are

complying with the amended code.

Hendricks Engineering Corporation is doing considerable development in this field in addition to the regular nationwide inspection service which is its main activity, and the designing of sprinkler installations and supervision of their installation; making insurance rating analyses for companies, agents and brokers, etc.

Allen Hendricks was a member of the President's conference on fire prevention and attended that gathering in Washington.

R. W. Schirmer is vice-president and

chief engineer of the corporation, which now is completing its eighth year in the business. Mr. Schirmer is a fire protection engineer of long experience and is very active in the business. He is a graduate engineer who before joining Mr. Hendricks 11 years ago, was an engineer with the Chicago Board.

The principal part of the business the nation-wide service rendered to business and industrial concerns, is carried out in some 2,500 cities, providing semi-annual fire protection, safety and building maintenance reports for building inspections.

In addition to the Chicago headquar-

ters office, which occupies most of the second floor at 6544 Sheridan road, with a broad frontage on that main boulevard, Hendricks Engineering Corp. maintains six branch offices in charge of resident engineers of long experience. These are: Minneapolis, Gordon E. Hackborn; Atlanta, Vernon L. LeMaster; Los Angeles, Charles H. Roth; Philadelphia, John M. Mooney, and New York City, Frank C. Simpson, which have been established for some time, and a new branch office just opened in San Antonio, Tex., with William L. Pretz as resident engineer in charge.



## INSURANCE WHEELS GO ROUND AND ROUND

The more things people know about a well-run business the better they like it. Any business that's a mystery to its customers is on dangerous ground.

In the main, people are suspicious of the abstract and accept the concrete without question. Insurance is in the difficult position of being composed of and actually run by such a vast number of small concrete facts that taken together they seem pure theory—like higher mathematics. If our business is to be liked by more people certainly all of us in insurance must clarify those facts. Few things are more important in insurance public relations than to reduce our business to the simple ideas and the words of one syllable of which it actually is made up.

This is what the Security Insurance Companies are doing in their advertising in *Time* and *Newsweek*. As a result of this advertisement, in *Time* for October 20, thousands more people will understand something of what you mean when you say "underwriting".

Other thousands of clients of agents of the Security companies will also have a better understanding of this word. For they will receive this column in folder form by mail from our agents.

The result is that these insureds—all clients of agents representing one of the Security companies—understand insurance better than they used to. Hence they are more likely to accept their agent's advice. You should be among these agents who have and use a valuable tool to promote public appreciation of insurance.

## Security Insurance Companies

HOME OFFICE: NEW HAVEN, CONNECTICUT

Security Insurance Company of New Haven  
The East & West Insurance Company  
of New Haven

New Haven Underwriters  
The Connecticut Indemnity Company

1841—"Security," The Nation's Watchword—1947



## PROPERTY INSURANCE

### What's "underwriting"?

The term came, like many in insurance, from Lloyd's of London. Lloyd's was just a group of businessmen who joined together and made agreements to reimburse property owners if unexpected losses occurred. When one of these men at Lloyd's was willing to assume all or a portion of a particular risk he wrote his name below the contract or agreement with the property owner. He "underwrote" the risk and was, therefore, an "underwriter".

Today the word has a somewhat different meaning, though the "underwriter"—now usually a corporation—still writes its name at the bottom of the insurance policy. Today "underwriting" means the process of selecting good risks, risks on which the hazard of loss is average or better than average. Underwriters often advise improvements which will reduce the likelihood of fires or accidents.

"Underwriting" involves judging many factors other than the character of the man and the condition of the property. Insurance companies dislike concentration of risk. Fire insurance companies have great books of street maps on which they note the risks they have insured. They do this to avoid having too much money at risk—or insurance in force—subject to one fire. Actually a company may accept many risks in one neighborhood. But it "re-insures" some or parts of them with other insurance companies, thus avoiding such concentration.



The purpose of good "underwriting" is to produce fewer and lower losses and hence lower insurance rates and costs. The acceptance of questionable risks at standard rates has proved fatal to more than one insurance company. Similarly, the acceptance of average risks at rates or premiums less than needed to pay losses plus the expenses of doing business has resulted in the failure of insurance companies.

All good insurance companies carefully "underwrite" the business they accept. To be sure that your insurance is in a good and careful company, get it from an agent of one of these: the Security Insurance Company of New Haven, The East & West Insurance Company of New Haven, the New Haven Underwriters, The Connecticut Indemnity Company.



**SECURITY**  
Insurance Companies  
Home Office: New Haven, Connecticut

## Fire Prevention Activity Stressed

(CONTINUED FROM PAGE 1)

Indiana," was broadcast by WIBO Wednesday evening.

Fire Prevention Week was introduced in Oklahoma City by a full-page splash with pictures and history of the city fire department, in the Sunday feature section of the "Oklahoman."

Radio talks were given by Fred F. Fox, president Oklahoma Assn. of Insurance Agents, and Dave R. McKown, immediate past president of the Oklahoma City Exchange, with many spot announcements.

Enid merchants offered prizes for the best window displays by Boy Scout troops and Tulsa held a fire prevention school attended by 400 students.

### Exhibit Highlight at Chicago

A fire prevention show sponsored by the Chicago Board and the Chicago Assn. of Commerce in the Insurance Exchange building highlighted activities of fire prevention week in Chicago.

The exhibit embraced all forms of protection and prevention and included displays by the fire department, the Chicago Fire Patrol, and of fire extinguishing and alarm companies, and a demonstration of common hazards.

Mayor Martin Kennelly of Chicago opened the proceedings Monday. He was introduced by Elmer Reske, manager of Cook County Inspection Bureau and chairman of the fire prevention committee. In his introductory remarks, Mr. Reske pointed out fire waste costs and urged support of President Truman's fire prevention program.

The mayor asked backing of a forthcoming vote on a bond issue to raise money for new fire department equipment.

Others who spoke briefly were Wilfred Sikes, president Inland Steel and

president Chicago Assn. of Commerce; Chicago Fire Commissioner M. J. Corrigan; Chief Frank C. McAuliffe of the Chicago Fire Patrol and new president of the International Assn. of Fire Chiefs; Chief Fire Marshal A. J. Mullaney, and L. P. Warren, president Chicago Board.

Local firemen conducted the demonstration of hazards.

An unusual feature was a centralized alarm system which recorded every fire alarm in the city. The alarm ticked off frequently during the proceedings.

### Railway Assn. Is Active

Railway Insurance Assn. this year is laying special emphasis on fire prevention week and has designed a poster to stress cooperation of the railroads with local fire departments by inviting inspection of railway properties so that there will be some familiarity with procedure to be followed in event of fire. The railroads have ordered 60,000 copies of the poster. Railroad fire loss experience has paralleled the general losses throughout the country in percentage increase.

The association notes that frequently there has been delay in reporting fires and then further delay because the fire department is unfamiliar as to access to the property as well as the location of private protection available.

### Cincinnati Ceremonies

Walter Alexander, prominent Cincinnati agent, who is chairman of the chamber of commerce fire prevention committee, was master of ceremonies at the opening of fire prevention week there. He introduced Mayor Rich and C. B. DeMille, famous motion picture producer, who presented awards in the high school fire prevention essay contest in a public ceremony at Fountain Square.

Arthur M. O'Connell, vice-president Thomas E. Wood agency, who is vice-

chairman of the chamber of commerce committee, and J. F. Schweer, secretary Cincinnati Fire Underwriters Assn., were also on the platform.

Fire prevention activities must be continued and intensified, according to a joint statement issued following the meeting at Washington of the executive committee of National Fire Waste Council by George W. Elliott, chairman of the committee, and John A. North, chairman of National Fire Waste Council.

The committee reviewed plans for stepping-up the program of fire prevention work in towns through the local chambers of commerce. Emphasis is being placed on a plan to sponsor town inspections through the fire prevention committees of the local chambers.

H. E. Hilton, secretary of the council, reported on activities of the council. The committee received a report of the progress being made by National Assn. of Insurance Agents.

### Orders Heavy for Material

By Tuesday the National Board had received 6,170 orders for fire prevention week material, compared with total orders last year of 4,509, an increase of more than 30%. One characteristic of the campaign this year has been the practically complete cooperation of radio stations and networks in the New York area. For example, Columbia Broadcasting System Tuesday night on a nation-wide hookup presented the play, "The Fireplace" on a sustaining basis. The National Broadcasting Co. is using one minute spot announcements at the end of the "News of the World" plus spots at station breaks. "Truth or Consequences" is using a fire prevention question on its program Saturday night. WNEW, New York, is broadcasting a series of five musical jingles and is making them available to other stations across the country. National Board's new fire safety stories for school children, of which several hundred thousand copies were distributed in the weeks immediately preceding fire prevention week, received wide publicity. More than 10,000 cities throughout the country carried out campaigns.

Television was used in the campaign for the first time this year when "Crimes of Carelessness," the National Board's 11 minute film, was telecast over one of the major networks. More than 425 theaters in 25 states are showing the film in addition to their regular programs.

### Much Activity on Coast

The Pacific Board is to be host at a luncheon meeting Oct. 9 in San Francisco for a special Fire Prevention Week event. Attending will also be the fire chief, many fire company executives and the fire commissioners of the city.

Fire Prevention Week started in San Francisco with a message from Mayor Lapham and the first safety committee of the Chamber of Commerce calling upon the people to check hazards in their homes and places of business. All service clubs are holding special luncheon and evening meetings on the subject.

Jay W. Stevens, assistant manager of National Board's San Francisco office, again has a program of activities covering a wide territory. He spoke to the Lions Club Oct. 7, Exchange Club Oct. 8, Kiwanis Club at Fresno, Cal., Oct. 9, Chamber of Commerce of Seattle, Oct. 10 and Alameda, Cal. fire department Oct. 11.

### Big Gain for Auto Club

SAN FRANCISCO—National Automobile Club—owned and operated by member companies of National Automobile Underwriters Assn., reports that as of mid-September its membership had passed 120,000—an increase of more than 20,000 in the last 20 months.

## Shift Underwriting to Home Office

SAN FRANCISCO—Travelers Fire is closing its Pacific Coast underwriting unit. Secretary W. R. Rearick and Assistant Comptroller Stanley Melcher notified all underwriting employees of the decision to move all underwriting to home office as of Jan. 1.

The company will assist employees to locate new positions. Service branches for production will be continued to supervise field men.

## Management Problems Eyed at Brooklyn Brokers Forum

At the October meeting of Brooklyn Insurance Brokers Assn. a forum was conducted on "Brokers Management and Operating Problems." Members of the panel, who answered questions asked from the floor, were: Monroe Flegenheimer, dean of insurance at City College of New York, Herbert Pohns and Bernard Werbel, insurance educators, and Max Pulver, vice-president of the association.

Among the questions discussed were the commission to which a broker is entitled when a policy is canceled or when litigation is involved in the collection of a premium, and the problems involved in the broker's part in binding a risk. The placing of business with unauthorized carriers through excess line brokers was the next subject on the agenda followed by the automobile assigned risk plan. The final subject discussed was the legal aspect of a broker's advancing a premium for the insured and the state regulations on this subject.

The brokers voted to accept a group A.&H. plan offered by U. S. Life. The features of the plan were described and the coverage offered to members desiring to accept it.

## Turner to San Francisco

John P. Turner has arrived in San Francisco to become fire underwriter in the Pacific Coast department of Fidelity & Guaranty. He has been at the home office. He fills the vacancy caused by the appointment of Kenneth McMaster as special agent at Los Angeles.

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## Peg Hurricane Loss at \$24 Million, 65,000 Claim Total

A summary of adjusters' estimates indicates that the southern hurricane destroyed approximately \$24 million of insured property. The loss will be decreased somewhat because some of the damage was due to wave wash, which is not insured. Approximately 65,000 claims will result from the entire storm.

Estimates for New Orleans and Louisiana are 42,000 claims for a loss of about \$4 million. About 7,000 claims are expected from the Gulf Coast approximating \$10 million. In Florida 16,000 losses were expected to cost almost \$10 million.

Aviation underwriters are perturbed by the indifference of Florida aircraft operators to the hurricane. Aircraft valued at more than \$20,000 were merely tied down rather than flown to a point of safety. Tie-downs are ineffective in the face of a 100-mile-an-hour wind.

As the hurricane loss picture gets into perspective, it appears that the most troublesome area will be the Mississippi Gulf Coast territory. Here numerous buildings close to the water were washed away and this will surely cause many a headache with assured and their counsel undertaking to establish that the buildings were demolished by the wind before they were taken to sea.

Western Adjustment and Underwriters Adjusting have been called on to furnish adjusting talent in the hurricane area. Senior adjusters were wanted. It is said that the two organizations will furnish about 30 men.

A supervisory office has been established by the National Board at Gulfport, Miss., for the handling of storm losses in that area. E. L. Mitchell, Dallas, special agent for the National Board, will be in charge, according to Don B. Sherwood, general adjuster, who has general supervision over the various offices set up to handle hurricane losses.

## Reed Comments on Catastrophe Adjustments

Prentiss B. Reed of New York, president of the National Assn. of Independent Insurance Adjusters, has issued a statement on the catastrophe loss problem. The sudden demand for 50,000 to 100,000 adjustments in addition to the normal number needing attention, when these catastrophes arise, must be met somehow. Present available competent personnel is inadequate, and consequently avaricious and incompetent persons are at times able to get into catastrophe work to the distress of the reliable veterans who are doing the best they can.

Members of the association realize that everything possible must be done to bring down the present high loss ratio, Mr. Reed stated. They must do good adjusting, but the tendency of losses to increase in size is largely due to inflation. The big increase in the number of losses since the beginning of the war has outstripped by far the increase in the number of competent loss department employees and adjusters. This has overloaded competent adjusters, whether staff men, bureau employees or independents; an assignment of overflow work has gone to adjusters who are not as competent as they should be, some of them newcomers to independent work, and there has been a general breakdown of loss routine that formerly was accepted as standard.

Overloading of personnel can be relieved only by bringing more men into loss departments, the adjusting forces and the agencies. The association is seeking apprentices and exploring teaching and training methods, Mr. Reed stated. On occasion adjusters are being asked by agents to make up loss notices as well as adjust the losses, and this is

added to the adjustment cost. Time and persistent effort will improve the situation. Mr. Reed's association amended its requirements for membership at Los Angeles so that they may not now undertake work for which they are not qualified. Also, five years' active loss experience with three years successful operation of an independent office are now qualifications for membership.

## Christopher Joins Stewart

Robert C. Christopher has been appointed production manager for the L.

G. Stewart agency of Chicago, effective Oct. 15.

Mr. Christopher, an insurance survey specialist, started his career with the survey department of Aetna Casualty at Chicago and for two years handled insurance analysis work for its agents. In 1939 he joined Youngberg-Carlson agency, specializing in this work for that firm's brokerage department. He was appointed Cook County special agent for Royal Indemnity in 1941 and three years later joined the Cook County department of the Loyalty group as special agent for the loop area.

He is a graduate of the Aetna home office training school.

## Open Washington Office

Hardware Mutual Casualty and Federated Hardware Mutuals have opened a new office in Washington, D. C., in the Washington building, in charge of Wade M. Wilkes, formerly a salesman in that territory. The office will service fire and casualty policyholders of the mutuals in District of Columbia and five surrounding counties of Maryland.



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## NEWS OF FIELD MEN

### Aetna Fire Sends New Men to New Jersey, W. Virginia

Walter C. Wattles has been named as special agent for West Virginia by Aetna Fire. He will be associated with State Agent H. Eugene MacShane with headquarters at Charleston.

Mr. Wattles joined Aetna in 1946, when he was released from the navy. He is a native of Nashville and attended Vanderbilt.

Lewis P. Johnson has been appointed special agent to assist State Agent Howard L. Waterhouse in New Jersey.

Mr. Johnson, who was in the air force during the war, resumed his course at Trinity College on receiving his discharge and after graduation joined the Aetna's marine department. He then enrolled in the special agents' training course and then he acquired further experience in the underwriting department.

### Perry Wash. Special Agent for Boston, Old Colony

Hugh S. Coburn, Pacific Coast manager for Boston and Old Colony, while in Seattle on a hurried visit to the northwest, announced the appointment of Mark T. Perry, Jr., as special agent in Washington. Mr. Perry resigned effective Oct. 1 as special agent for the Armstrong General Agency of Seattle.

Mr. Perry attended University of Washington for three years and then went to Rensselaer Polytechnic for a year. From October, 1939, to December, 1941, he was an underwriter in the home office of General of Seattle, leaving to serve four years in the navy in the Pacific. He joined the Armstrong agency as special agent in 1945 after discharge.

Mr. Coburn visited Portland after leaving Seattle where he is completing arrangements for serving the Boston and Old Colony agency plants in Oregon.

### Long Retires from Texas Field for Glens Falls

Frank O. Long, who has been special agent in the western Texas field for 24 years for Glens Falls group, has retired under the companies pension plan. He will devote his time to management of his ranch near Denton, Tex.

Special Agent William H. Grice, who has been in the eastern half of the state for 25 years, will take over Mr. Long's field for the time being.

### Fresno Puddle Is Active

The Fresno Puddle of the San Francisco Blue Goose is holding a football party for members only Oct. 18. Luncheon will be at the home of Elmo Tibbetts, Employers group, which is known as Rancho Resturas.

The raisin degree team of the Fresno puddle will confer the raisin degree on candidates of the California Blue Goose at Los Angeles Nov. 14. This degree will be conferred by Floyd Lobree, big raisin; Ted Thulemeyer, medium raisin; Elmo Tibbetts, little raisin; Norman Street, assistant little raisin, and Fritz Carpenter, girdler.

### Nelson to Security of Conn.

H. Ed Nelson, formerly assistant manager at Seattle for Edward Brown & Sons, has been appointed special agent at Seattle for Security of New Haven. He succeeds A. C. Tregoning, who resigned to join Alexander Myers & Co., Seattle local agency.

Mr. Nelson was with Brown & Sons for 17 years, except for service overseas in the army. He will maintain headquarters in Security's Seattle service office in the Dexter Horton building.

### Solseth National Union and Birmingham State Agent

J. A. Solseth has resigned as special agent at Seattle for the fire department of the Fireman's Fund group, to become state agent for National Union and Birmingham, with headquarters at 744 Dexter Horton building, Seattle. He has been spending the last week in the northwest in connection with the companies' plans for developing the territory under the newly-created coast departmental office. His appointment is effective Oct. 20. Territory under his jurisdiction includes Washington, Montana and Idaho panhandle. A native of Washington, Mr. Solseth was graduated from the school of business administration of University of Washington in 1932. He joined Northwestern Mutual Fire in 1936, first in the metropolitan sales department and later in the inspection and safety engineering department in the Washington, Idaho, Utah and Montana field.

He left to enter the army in 1941 and was a captain in the army transport service until the end of the war when he returned to insurance as a field man at Seattle for Fireman's Fund.

### Discuss New Utah Code

SALT LAKE CITY—Intermountain Fire Underwriters Assn. at its first meeting of the season held a round-table discussion of the new Utah insurance code. R. W. Garff, deputy commissioner, and H. J. Timmerman, department statistician, led the discussion.

### Naval Officer Before Pond

Comm. Kenneth Ayres of Naval reserve told of plans for "M" Day, when it comes, in an address before the dinner meeting of Seattle Blue Goose. He said he emphasized "when" rather than "if" "M" day comes, asserting the belief that such an eventuality is inevitable. His theme was that every able-bodied male citizen should be enrolled in an army or navy reserve unit.

## CHICAGO

### PLAN C.P.C.U. AFFAIR OCT. 21

Chicago chapter of C.P.C.U. has completed plans for its annual all-industry luncheon October 21st in the Grand Ballroom of the LaSalle Hotel.

Guests of honor will be 24 insurance men from the middle west to whom will be presented the C.P.C.U. designation by Harry J. Loman of the American Institute for Property and Liability Underwriters.

Principal address will be by Roger Kenney, insurance editor of "U. S. Investor." It is anticipated that a capacity crowd of 500 will be present.

### DEMONSTRATION FOR ACCOUNTANTS

Oct. 23, from 6:30 to 9:30 p.m., the Chicago Insurance Accountants Assn. is to view a demonstration by Burroughs Adding Machine Co. of complete line of accounting equipment, including book-keeping machines. This will be held in the Burroughs office at 308 West Washington boulevard, sixth floor. As the number in attendance will have to be restricted for practical observation purposes, it is possible to arrange a second demonstration, according to Norman Hyne of the Home group, president.

Invitations to attend the monthly meeting are extended by the association to insurance accountants in this area, employed by stock companies, western and local departments and/or their representatives, both agents and brokers. Miss Rosabelle Nalikowsky, National Surety, the secretary, or Miss Mabel Pottinger, Arthur H. Gallagher & Co.

agency, assistant secretary, are receiving reservations. The annual meeting and election will be held in December, when it is likely Oscar Johnson of General Transportation Casualty will be advanced to president.

### HAIR-FARM UNIT MOVES

Great American has moved its hair and farm department which heretofore has been at the western office in the Continental Companies' building to 309 West Jackson boulevard. T. G. Dahl is manager.

## NEW YORK

### HOME PROMOTES MCKAY

Home has promoted Gordon A. McKay from special agent in the service department to assistant manager in that department.

Mr. McKay graduated from City College of New York. Prior to joining Home in 1926 he served with the Fire Protective Service Bureau, Tennessee Inspection Bureau, and New York Fire Exchange.

### TALK ON AUTO SUBROGATION

Max Gwertzman is discussing "Subrogation Proceedings" before the Automobile Claims Assn. at its meeting Oct. 9 at New York.

### LLOYDS BOOK REVISED

Price, Forbes & Co. has published the 1947 revised edition of the late M. M. Beeman's book entitled "Lloyds, London". Mr. Beeman was one of the outstanding underwriters at Lloyds. The work is authoritative and answers practically all the questions usually asked about the working of Lloyds.

A limited number of copies are available at the price of \$2.50 at Brentano's, 586-5th Avenue, New York.

### CULVER ENTERTAINS

Chairman Bernard M. Culver of America Fore entertained 54 executives and guests at his annual golf party at Glen Ridge Country Club, Glen Ridge, N. J.

The Ernest Sturm trophy was com-



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peted for and won by W. L. Bates with a score of 71. Prizes also were won by J. H. Ijams, R. N. Caverly and Frank S. Ennis.

Awards were made by Mr. Culver during the course of the dinner. President Frank A. Christensen expressed the appreciation of all present for the day.

Tournament arrangements were handled by Vice President William F. Dooley.

**Insurance Women of New York** at their first fall meeting heard Mrs. Mary Shannon, fashion publicity director of Bonwit Teller, speak. Miss Leone E. Martin, Royal, the new president, presided.

## COMPANIES

### Potomac Increases Capital \$500,000

Potomac has increased its capital \$500,000 from \$1 million and an additional \$1½ million has been contributed to surplus through sale of 20,000 shares of \$25 par value capital stock at \$100 a share. The entire issue was purchased by General Accident.

The changes are part of a plan to integrate activities of Potomac and General Accident in a program of multiple line underwriting.

Potomac has secured a perpetual charter in the District of Columbia to write all lines except life.

#### Franklin Fire Omitted

Franklin Fire was omitted in THE NATIONAL UNDERWRITER list of stock companies writing more than \$100,000 in premiums in Philadelphia. Franklin in the first half of the year had premiums of \$724,157 in Philadelphia.

Farmers Fire of York has been licensed in Oklahoma with Eberle & Co. as state agent.

## MARINE

### Zendzian Joins Benjamin Weil Co. Agency, Milwaukee

MILWAUKEE—Matthew P. Zendzian, who recently retired as superintendent of the marine department of the western office of Fireman's Fund at Chicago, has joined the Benjamin Weil Co. agency here as vice-president and manager of its insurance department. A graduate of Brown University, he went to Chicago in 1927 and joined Springfield F. & M. in the fire end, later becoming a marine underwriter. He went with the Fireman's Fund as marine special agent and his activities as marine supervisor of production took him into many midwest states. He was transferred to Minneapolis to develop marine business in Minnesota, North and South Dakota, Wisconsin, Iowa, Nebraska and Illinois except Cook County. Later he was transferred to Chicago in the western office and for the last two years was superintendent of the marine department. He has assumed his new post in Milwaukee.

### Must File Some Inland Rates

SEATTLE—Some important changes in the inland marine field are expected under the new Washington code, effective Oct. 1, as the Inland Marine Rating Bureau now will have to be licensed. Certain inland marine classes will be subject to rate filing, these being risks which are schedule-rated. Machinery is now being set up to handle the filings. All inland marine lines heretofore were exempt from rate-filing.

Recollections of early days in the Great Lakes marine business were told by Erle W. Stith, Buffalo manager for Johnson & Higgins, at a reception mark-

ing his 50th year in the marine insurance business. Mr. Stith started his career at Chicago, writing in long hand the histories of marine losses which sometimes ran to more than 1,000 pages. He went to Buffalo in 1904. Nearly 150 attended the reception.

### Brown Joins "Old Guard"

LeRoy T. Brown, secretary in charge of the New England department of America Fore, has joined the "Old Guard" following 25 years of service.

President Frank A. Christensen pre-

sented Mr. Brown a gold wrist watch.

Mr. Brown started with Home and later was with Crum & Forster, joining Continental in 1922. In 1929 he became home office agency superintendent and assistant secretary in 1932. Three years later he was made secretary.

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## EDITORIAL COMMENT

### Commissions

The subject of commissions is now out in the open for uninhibited discussion and that, we think, is a wholesome situation. At the time it became clear that insurance rates were to be subjected to state regulation and public scrutiny, it seemed obvious that sooner or later the matter of commission scales would become framed for attention. Although the commissioner may lack precise authority to take action affecting commissions and although he may desire to keep hands off, the question simply can't be submerged and ignored because commissions comprise such a prominent portion of the premium dollar. In this day of rate regulation the commission schedule must be one that agents and companies alike can with entire lack of reservation support, champion and defend, if need be, as a proper remuneration for worthy service.

In order to pave the way for such a result the whole subject has to be threshed out and considered from all its various angles, and hence, progress has been made when the iron curtain that has inhibited free discussion of the question is raised.

It is conceivable that the industry as a whole could conclude, after thorough analysis, that what is right and that the present scales in all of their territorial variety could be pronounced fair and reasonable before the bar of public opinion. Nevertheless to arrive at that conclusion calls for more than protestations; it calls for far seeing, dispassionate analysis.

We think that the commission question was bound to arise, either internally or by government or public super-venience. The underwriting stringency

of the hour has merely, it seems to us, hastened the day of judgment.

If the result is to be a lowering of the rate of commission here and there, then this is probably an advantageous point for the transition to take place. Insurance rates are being increased and the amount of cover is expanding, so that in dollars of income the producer will not be much if any worse off than he was under a higher rate of commission.

The companies are sympathetic with the problem of the agent and broker and especially with the situation of the producer and producing organization that is doing a superlative job of underwriting, controlling and servicing accounts. If there could be some way of classifying production offices, they would seize upon it, but the human equation seems to forbid this. However, if the commission has to be lowered, some think that economic force would play into the hands of the select agencies. They theorize that less well equipped agencies would feel that it was not worthwhile to maintain the organization that is required to earn top commissions and would convert themselves into individual producers. Then, too, according to this kind of projection, insurers would not be willing to retain unsatisfactory connections, and all in all there would be a drift in favor of those organizations that are performing the highest type of service.

It is, of course, out of tune with the times in general to be talking of reducing anyone's livelihood, and insurance producers will have to exhibit an almost superhuman detachment to approach the subject in a way that will help lead to correct decisions.

### R. I. Medical Insurance Plan

One knotty problem in the insurance of medical care has been the difficulty of fixing the charges for what the doctor does. The fact that the Rhode Island Medical Society has established a schedule of fees for a great many surgical procedures, including post-operative treatment and indemnity for anesthesia and surgical assistants is only some in a considerable amount of evidence that the group medical plan the society has devised in that state is well thought out and soundly based on practical considerations.

The society's preliminary study of the project directed attention to the difference between hospitalization insurance

and surgical-medical insurance. The success of the Blue Cross hospital program has created a popular impression that a surgical plan can be as simply operated and as successfully promoted, but the Rhode Island doctors do not believe this is true. Hospitals are well organized and are planned to provide a specific service that is primarily institutional, while the surgical plan calls for services by approximately 1,000 individual physicians in their offices, the patients' homes, or in hospitals and for several hundred different procedures for each of which the fee varies. Thus is posed a far greater problem of administration.

Another point is that Rhode Island has the highest female employment of any state. The extent to which the preponderance of female employment will affect the premium for surgical insurance is illustrated by rates projected by one insurer as follows: Where the percentage of female employees is less than 11%, the premium charged for the employee alone would be 57 cents; where the percentage is from 11 to 21%, the charge would be 66 cents; 31-41%, 77 cents, and 41-51%, 83 cents.

Rhode Island doctors believe there is a demand for surgical coverage, and note that the surgical insurance plan in Delaware, written as a rider to the hospitalization contracts with no income

limit, has sold more than 100,000 subscribers, and the public and the profession have been satisfied.

So far as is known the proposal is the first to attract the interest and support of all major insurance groups in the country, including life companies offering disability coverage, thus indicating that groups of 10 or more and ultimately individuals may be subscribers under the program. With this much care, thought and investigation going into the preliminary, foundation work, the Rhode Island plan has what looks like an excellent chance of success, and the kind of success that will substantially influence future developments in this field.

## PERSONAL SIDE OF THE BUSINESS

**W. F. Watson**, vice-president and secretary of the Globe & Rutgers, American Home and State of Pennsylvania, is retiring from active business. He is former Indiana state agent of Aetna Fire and was brought into the western office when Ralph B. Ives was manager and made him assistant manager. He started his insurance career as office boy in the western branch of Northern of England. Later he was special agent for it. After this he traveled for Hartford Fire. Before going with Globe & Rutgers group he was an official of Stuyvesant.

**W. T. Benallack** of Detroit, secretary of Michigan Fire & Marine, is attending the annual meeting of the Blue Goose grand nest at Miami Oct. 7-9. This will be his 40th consecutive attendance at the grand nest meetings. There is no one else with such a record. He is a former most loyal grand gander and is generally acknowledged as the first citizen of the Blue Goose.

Governor Willis of Kentucky has appointed **Walter L. Hays**, president of American Fire & Casualty of Orlando, to the rank of colonel.

**Junius Spencer Morgan**, vice-president and director of J. P. Morgan & Co., has been elected a trustee of Atlantic Mutual and Atlantic Mutual Indemnity.

**Waldo B. Ames** of Moore, Case, Lyman & Hubbard and **Rollin M. Clark**, first vice-president of Continental Casualty, have been nominated for directors of Illinois State Chamber of Commerce from the sixth district.

**Clarence Axman**, New York City, secretary of the "Eastern Underwriter," boomed into Chicago last week to attend the banquet given by W. A. Alexander & Co. in honor of Wade Fetzer, Sr., who is completing 50 years of service in that institution. Mr. Axman looked for a secluded spot where he could spend a week by himself and have no insurance contacts whatever. Sunday he appeared at the Edgewater Beach hotel in Chicago to report the annual meeting of American Life Convention. He takes a room on the first floor next to the press room which keeps him in close contact with what is going on.

He was born and raised at Chicago.

Some of his family still resides there. He was formerly a secretary in the western department of Continental. He learned to scribble news items and later became a reporter on the Chicago "American". He acted as insurance correspondent for the old "Insurance Herald" which preceded the "Insurance Field". He is known far and wide and his wings never cease flapping. He is one of the men who who came under the influence of the late Young E. Allison.

**John D. Martin**, oldest local agent at Chicago so far as consecutive service is concerned, was slightly injured a few days ago. He will soon be 90 years of age. He goes to Florida for the winter season and returns to Chicago in the spring and takes up business with great agility. He was riding a street car and as he rose to alight, there was a sudden jerk of the car and he was thrown to the floor. He is now at his home at the Wacker hotel.

**Clara Baldwin**, news correspondent at Chicago for several insurance periodicals, will leave next month for South America on a two year trip around the world. It is her intention to file news dispatches about commercial conditions in the countries she visits to numerous business papers.

**A. Rayner Holt**, manager of Royal Exchange at Calcutta, India, was in Chicago this week, in tow of Freeman Read, Chicago manager of that company. Mr. Holt has been in England about three months and is now returning by stages to India. He has been visiting at Hudson, Wis.

**Frank P. Powers**, local agent and banker at Mora, Minn., was elected treasurer of the American Bankers Assn., at the annual meeting last week. He has for many years been treasurer of the Minnesota Association of Mutual Insurance Companies.

**William H. Kelso**, son of A. J. Kelso of the Kelso & Sons agency of Chicago, who in May took over management of the agency's Los Angeles branch office, announces the arrival of a baby daughter. The child has been named Kitty. Mr. Kelso recently purchased a home in Arcadia, a suburb of

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Los Angeles, where he now resides. He is a veteran of the last war who started with his father in the Chicago agency. Prior to going to Los Angeles for a number of years he was connected with the Cook county (Ill.) branch of Glens Falls.

**James S. Kemper**, chairman of Lumbermen's Mutual Casualty, as president of Inter-American Council of Commerce & Production, sailed from New Orleans for an executive committee meeting of the council to be held Oct. 20-23 at Rio de Janeiro.

**Commissioner Rummage** of Arizona, who has been extremely ill at St. Monica's Hospital, Phoenix, is much improved and hopes to be released in 10 days and back on the job in three weeks.

## DEATHS

**Fred F. Lorin**, local agent at Rome, N. Y., for many years, died at his home in St. Petersburg, Fla., where he lived since his retirement.

**John Sanborn**, 51, veteran Sioux City, Ia., local agent, died following a short illness. He founded the Sanborn Insurance Agency at Sioux City 24 years ago.

**Jack Croft**, manager of the Otis A. Murphey adjusting firm, died at Augusta, Ga.

**William B. Payne**, 71, for more than 25 years a member of Harding-Payne agency, Lincoln, Neb., died there after a short illness. He served in an Illinois regiment in the Spanish-American war.

**Louis A. Tanner**, who retired about seven years ago as special agent in Chicago and Cook county for Home, after having been with that company more than 40 years, died at Columbus hospital, Chicago, at the age of 75. His brother, R. L. Tanner, vice-president of New York Underwriters, flew to Chicago and was at his bedside shortly before his death. He had suffered a prolonged illness.

Louis Tanner's only insurance connection had been with Home. Most of the time he was in the Cook county field. He was prominent in organization affairs and was president of the old Fire Insurance Club of Chicago and also president of Cook County Field Club.

**Mrs. Agnes A. Dapper**, whose husband, Frank Dapper, is manager of the brokerage and service department in the western office of Sun at Chicago, died at Augustana hospital, Chicago, following an operation.

**August C. Fuge**, 71, secretary of West Bend Mutual Fire, died at West Bend, Wis., after a prolonged illness. He was active for many years in the Wisconsin Mutual Alliance.

**Ernest Wemple**, 73, who had been in the insurance business in New York City more than 40 years, died at Cranford, N. J. He started with Home and from 1920 to 1939 was head of the examining department of Railroad Insurance Assn.

**Lloyd S. Blickenstaff**, associate manager of Fidelity & Deposit at Louisville since 1923, died at his home at Anchorage, Ky.

Mr. Blickenstaff started with F. & D. in 1925 as an attorney and adjuster. He was appointed assistant manager at Louisville in 1935, and had previously served as claims adjuster there and in Pittsburgh. He was a graduate of the University of Maryland law school.

**Chestern Watkins**, 63, veteran local agent, died at his home at Glasgow, Ky., following a heart attack.

**Harry H. Gillen**, 66, local agent at Ann Arbor, Mich., for 35 years, died there following a heart attack.

**William F. Alexander**, retired president of Alexander & Alexander, New

## Mutual Men Meet at Columbus

(CONTINUED FROM PAGE 14)

as rural firefighting equipment and organization. Still the surface is barely scratched in the prevention direction, he said. Farm mutuals must do more and more to make their members conscious of loss prevention and safety education.

Because of the fear of federal regulation, state rating bills have been passed with far too little consideration, G. A. Christensen, manager and secretary Bear River Mutual, asserted. Enthusiastic sponsors of the new legislation are beginning to sober up as they see the far reaching authority and control given state insurance commissioners. In Utah, all insurance laws were repealed and a 252 page code, read by only a few members of the legislature, was passed because it was considered must legislation.

### Ready for Amendments

Mutual insurance should be fully represented in a thorough analysis of the legislation in the various states and be prepared to sponsor necessary amendments while the business is still feeling its way.

Millions are being raised to support a tremendous drive urging congressmen to enact legislation curtailing cooperative service. Many congressmen are not acquainted with mutuals and how they really operate and too many have a vague opinion that mutuals and co-operatives are a menace to the national economy, he stated.

Mr. Mingenbach president of the Federation of Mutual Fire Insurance Companies, presided at its sessions. Speakers included Superintendent Shield of Ohio; W. E. Shackley, assistant secretary Central Manufacturers, "Modern Technique in Insurance Office Management; J. B. Beach, secretary Hardware Dealers Mutual Fire, "Present Pattern of Rate Regulation and its Impact on Mutual Fire Insurance; H. L. Kennicott, secretary Lumbermen's Mutual Casualty, "What Should We Expect of Advertising;" Robert Stone, National Research Bureau, Chicago, "Profitable Direct Mail Methods;" B. L. Moore, vice-president Liberty Mutual, "Public Relations, Advertising and Publicity;" H. E. Hudelson, superintendent of agencies Mill Owners Mutual Fire, "The Mutual Field Force in Action;" Dusty Miller, professional humorist, was speaker at the ad-sales luncheon.

The annual banquet was held Wednesday. Meetings of the National Federation of Grange Mutuals, Improved Risk Mutuals and American Mutual Reinsurance Co., wound up the sessions Thursday.

Three panel discussions on opportunities in safety, underwriting and loss adjustment were held Tuesday, the participants being: Safety, R. M. Stanton, Capital District Grange Cooperative Fire, H. L. Kennicott, J. S. Kemper group, and C. W. Everhard, Farm Bureau Mutual Automobile; Underwriting, H. P. Hostetter, Mount Carroll Mutual Fire, Illinois, R. H. Bennett, Ventura County Mutual Fire, L. M. Dunathan, Shelby Mutual Casualty, and Ben Vine, Millers Mutual Fire of Alton.

Also, loss adjustment, C. E. Warner, Buckeye State Mutual; H. B. Gibbel,

York, died at Tucson where he had been for his health the past year. Born in Charles Town, W. Va., in 1879 he entered the agency of his father there at an early age. He went to Clarksburg, W. Va., at 19 and founded his present firm. For 50 years he piloted the brokerage house and saw it grow to national size handling many large accounts. Among survivors is Charles B. Alexander of Baltimore, who is with the firm.

Lititz Mutual; M. E. Foltz, Farm Bureau Mutual Automobile.

A forum on "mutual insurance" included N. S. Kiefer, American Mutual Alliance; H. T. Freeman, president Manufacturers Mutual Fire, and A. E. Anderson, secretary of four Minnesota mutuals.

O. E. Hurst, Hurst Home of Kentucky, spoke on "The Principles of Mutual Insurance." H. L. Ekern, Chicago attorney, outlined legislative developments.

Gage McCotter, Grain Dealers National, treasurer, gave a report showing the national association to be in splendid financial condition.

### Big Pier Loss "Unnecessary"

Last week's \$5 million pier fire in New York City would have caused but \$5,000 damage had recommendations made by the New York Board in 1932 been adopted, according to board experts. In that year following a \$1 million pier fire the board recommended that bulkheads be constructed beneath the piers to stop the spread of flames and that manholes be installed in the pier floors to enable firemen to get at fires. Neither of these suggestions was adopted and this year's fire cost 1,000 times as much as it should have. Nor has the pier code recommended by the National Board been effected by the city although the building code was adopted some time ago. Buildings and piers are under the management of different city departments.

### Flood to C. & R. at Chicago

Benjamin B. Flood has gone with Corroon & Reynolds in the Chicago office to do inside work and operate in the Cook County field. He formerly was with the Kentucky and Cook County Inspection Bureaus. He is a graduate of the Illinois Institute of Technology.

### Black on Loss Committee

Ronald R. Martin, Atlas, president New York Board, has appointed Charles E. Black, assistant U. S. manager of Royal-Liverpool, to the committee on losses and adjustments to fill the vacancy created by the retirement of C. A. Nottingham.

### Seek Cal. Education Plan

SAN FRANCISCO—The education committee of the Society of Insurance Brokers has recommended that its governing committee ask the Associated Insurance Producers of California to develop a state-wide coordinated educational system for agents, brokers and solicitors. This would bring under one general direction the several courses now available through the agents' association.

In considering the proposed plan to have F.U.A.P. develop a special course for company field men, the committee said that while it is highly desirable, especially from the agency standpoint, it is felt that it would be difficult to hold successful classes in certain locations because of special agents' travel requirements. Therefore, the committee suggested that the course be conducted by F.U.A.P. on a correspondence basis.

### Hold Crime Forum Oct. 16

The Surety Claim Mens Forum of New York Oct. 16 will hold an open forum on the trend of crime against property. D. E. Shannon of the F.B.I.; John P. Ward of the secret service, and James M. Graham of the Postoffice department, will speak briefly, followed by a discussion. A similar program was extremely popular last year. On Oct. 30, a representative of the Federal Reserve Bank will discuss looted securities, issues that were stolen during the war in various parts of the world that are now showing up in the United States.

## Wings Are Flapping in Florida

(CONTINUED FROM PAGE 1)

pect of the order is more important than ever.

Mr. Edmondson paid high tribute to Grand Welder R. A. Kenzel and Judge Advocate Herbert Wolfe.

R. A. Kenzel, Milwaukee, in his report as grand welder, emphasized the impressive membership gains.

The committee which has been investigating the feasibility of producing a motion picture of a model initiation, will recommend additional study be given this proposal, especially in view of present high production costs.

Suggestion is contained in the report of the emblem committee that a special emblem be adopted to be worn by local welders who serve five years in that office without advancing to higher office as do most of the other officers annually.

A recommendation sidetracked during the war years and reintroduced by the publicity committee, refers to the proposal that the grand nest publish a bulletin at stated intervals during the year, instead of only an annual report following the grand nest meeting.

The Wisconsin home nest delegation introduced something new, arriving at Miami with new soft hats of white material with the Blue Goose outlined in blue and the words "Home Nest" inscribed on the hats which also have a tassel attached.

The only candidate for grand keeper is Charles L. Beale, Yorkshire, Dallas.

### Regional Groups Eye E. C.

Representatives of the regional fire organizations and rating bureaus were meeting in New York a couple of days this week, principally to discuss various aspects of extended coverage. This is an informal and unofficial group that meets occasionally for discussion purposes.

## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 S. La Salle St., Chicago

Oct. 7, 1947

|                          | Div.  | Bid     | Asked   |
|--------------------------|-------|---------|---------|
| Aetna Casualty .....     | 3.00  | 75      | 77      |
| Aetna Fire .....         | 1.80* | 44      | 45 1/2  |
| Aetna Life .....         | 1.60* | 39 1/2  | 41      |
| American Alliance .....  | 1.00* | 18      | 19 1/2  |
| American Auto .....      | .80   | 24 1/2  | 26      |
| American Casualty .....  | .60   | 10 1/2  | 11 1/2  |
| American (N. J.) .....   | .70*  | 17      | 18      |
| American Surety .....    | 2.50  | 54 1/2  | 56      |
| Baltimore American ..... | .30*  | 5       | 5 1/2   |
| Boston .....             | 2.20  | 58 1/2  | 60      |
| Camden Fire .....        | 1.00  | 21      | 22 1/2  |
| Continental Cas. ....    | 2.00* | 46 1/2  | 47 1/2  |
| Fire Association .....   | 2.50  | 46      | 49      |
| Firemen's (N. J.) .....  | .50   | 12      | 13      |
| Franklin Fire .....      | 1.00  | 19 1/2  | 20 1/2  |
| Glens Falls .....        | 1.60  | 41 1/2  | 42 1/2  |
| Globe & Republic .....   | .50   | 8       | 9       |
| Great Amer. Fire .....   | 1.20* | 28      | 29      |
| Hanover Fire .....       | 1.20  | 24 1/2  | 25 1/2  |
| Hartford Fire .....      | 2.50* | 97      | 99      |
| Home (N. Y.) .....       | 1.20  | 24      | 25      |
| Ins. of N. A. ....       | 3.00* | 89      | 91      |
| Maryland Casualty .....  | ...   | 12 1/2  | 13 1/2  |
| Mass Bonding .....       | 1.60  | 31 1/2  | 33 1/2  |
| National Casualty .....  | 1.25* | 26 1/2  | 27      |
| National Fire .....      | 2.00  | 46      | 47 1/2  |
| National Lib. ....       | .30*  | 5       | 5 1/2   |
| New Amsterdam Cas. ....  | 1.00  | 28 1/2  | 30      |
| New Hampshire .....      | 1.00* | 46      | 47 1/2  |
| North River .....        | 1.00* | 23 1/2  | 25      |
| Ohio Casualty .....      | .80   | 35      | ...     |
| Phoenix, Conn. ....      | 2.00* | 76      | 78      |
| Prov. Wash. ....         | 1.40* | 31 1/2  | 33      |
| St. Paul F. & M. ....    | 2.00  | 68      | 70      |
| Security, Conn. ....     | 1.40  | 25      | 27      |
| Springfield F. & M. .... | 4.75* | 107 1/2 | 109 1/2 |
| Standard Accident .....  | 1.45  | 30      | 31      |
| Travelers .....          | 18.00 | 565     | 576     |
| U. S. F. & G. ....       | 2.00* | 42 1/2  | 44      |
| U. S. Fire .....         | 2.00  | 49      | 50 1/2  |

\*Ex. rights.  
\*Includes extras.  
\*New par value stock.

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## Consider Revision of Accident-Health Standard Provisions

### Controversy on Approval and Filing Section Before N. A. I. C. Committee

In the hearing before the accident and health committee of the National Assn. of Insurance Commissioners at Chicago Tuesday on the proposed revision of the standard provisions law, there seemed to be comparatively little opposition to the revision itself, although there were suggestions for changes in wording in almost every section considered.

There was very serious opposition, however, to the section of the proposed bill which covers approval and disapproval of forms and filing of rates, primarily on the ground that it is not in harmony with the corresponding provisions in the all-industry accident and health regulatory bill which was approved by the commissioners last December and adopted by the legislatures in 12 states.

#### Harrington Leads Objectors

Harrington of Massachusetts particularly objected to the section because it did not contain the provision of the former bill that rates shall be reasonable with respect to the coverage afforded, which he said was intended "to prohibit burglary in the business." Several of the department representatives contended that it was a weaker provision than that in the all-industry bill and that to approve it as a possible alternative would put the commissioners in a peculiar position.

Proponents of the measure contended that it is necessary to have some provision for filing and approval in connection with the standard provisions and that the inclusion of this section would make it possible to use the bill in states which so far have not adopted any laws for accident-health regulation. That statement also was presented as an answer to the objections to the caption of the bill, "Uniform Sickness and Accident Insurance Regulatory Law." Some contended that if it is a revision of the standard provisions law, it should be so described.

Another strong objection to the section was that it requires the commissioner either to approve or disapprove forms presented to him, giving him no right of modification.

#### Discussion Is Sidetracked

The whole proposition became so controversial that it was decided to drop the discussion of it until the committee could consider it in executive session and proceed to the consideration of the other sections of the bill.

Knowlton of New Hampshire, chairman of the committee, presided at the hearing. The committee had some difficulty in securing a quorum at the start but most of its members arrived later, including Downey, California; Goodwin, Connecticut; Butler, Texas; Stone, Nebraska; Parkinson, Illinois; and Sullivan, Kansas. Several other commissioners took an active part in the discussions, including Harrington, Massachusetts; McCormack, Tennessee;

(CONTINUED ON PAGE 33)

## Mass. Compulsory Rates for 1948 Go Up 4%

Upsetting the forecasts, Commissioner Harrington of Massachusetts has disapproved the idea of classification of private passenger cars by mileage or use for rating purposes. For the past three years, applicants for compulsory insurance in Massachusetts have been required to furnish information on mileage and age, and it was assumed that this was paving the way to introduction of the classification plan in the state. However, Mr. Harrington indicated that he was unlikely to adopt such a plan at any time in the future. Applicants will not be required to furnish mileage and age data in 1948.

Mr. Harrington approved a statewide increase of 4% in compulsory auto rates for 1948, affecting every community with the exception of five small towns and costing Massachusetts motorists another \$1 million. The tentative schedule provides for increases ranging from 70c to \$8.50 in individual zones.

The announcement has aroused somewhat more than the customary annual outburst of opposition, since this is the second year in which rates have been boosted something like a million dollars. Several cities of the higher rated zones have called public indignation meetings and there is widespread demand for a state-wide flat rate.

#### Hearing Set for Oct. 15

Mr. Harrington has announced a hearing on the tentative schedule, a statutory provision, which will be held Oct. 15 but this is looked upon as perfunctory matter since only trivial or obviously erroneous details in schedules as tentatively promulgated have ever been changed.

The recent initiative petition for a referendum on a state-wide flat rate, although signed by many thousands, has been thrown out by the attorney general as not conforming to the law in phraseology and the attorney general was summoned to court to explain his decision. There is widespread agitation for new legislation to upset the compulsory statute.

As originally operated, there were a small number of zones, but as the years have gone by the number of zones has been increased until now there are 17, each having its own schedule of rates based on the loss experience of cars garaged in those territories, respectively.

An example is Revere, which has been classed with Boston in previous schedules. The experience of cars garaged in Revere having been unusually bad the past year the commissioner has created a separate territory for Revere and its rate for passenger cars has been jumped from \$50.30 to \$58.80. At the same time the former rate for Boston, as including Revere, of \$50.30 has been increased only \$2.

Chelsea continues to hold the distinction of having the highest rate in the state, its \$59.40 rate of last year having been increased to \$61.80.

While there will be increased agitation for a flat state-wide rate there is little prospect that the legislature, which has a preponderance of members from the smaller communities, will do anything to affect such rates as \$16.90, \$18.80 and \$21.50 which prevail in the numerous smaller towns.

Commissioner Harrington, at a recent legislative commission hearing, declared a backlog of 14,000 applicants had been built up in the assigned risk bureau. That the size of the bureau will be constantly increasing seems quite likely in view of the fact that at least one large office writing automobile liability in great volume is understood to have received orders not to write any automobile liability in Massachusetts next year.

## Independents Set Up Midwest Statistical Service

### Neil Russell President; Bell Manager; Also Form Ill. Rating Bureau

Midwestern Independent Statistical Service was organized at a meeting at Chicago as an instrumentality for collecting, clearing and filing experience data for member companies as required by the new rating laws. Thirty-nine insurers were represented and 34 immediately became members. About 10 more are expected to join very shortly.

S. Alexander Bell, 18 East South Water street, Chicago, well known insurance accountant, was employed as manager, and Ekern, Meyers & Matthias, Chicago, as counsel.

Neil Russell of Chicago Motor Club, who presided, was elected as president; Robert Goode, Allied Mutual Casualty, and E. P. Gallagher, American States, vice-presidents; C. L. Morris, Illinois National Casualty, secretary; Robert Icks, Auto-Owners, treasurer.

The directors are Mr. Russell, H. E. Curry, State Farm Mutual; C. B. Kenney, Allstate; J. E. Faust, State Auto, Indiana; V. M. Ray, Hoosier Casualty; Mr. Gallagher; Fred Miller, Hawkeye Casualty.

Each state is entitled to one director for each three domestic companies in the membership with a maximum of three.

The organization will follow the statistical plan of National Assn. of Independent Insurers, which has already been approved in several states.

The bureau will serve about 15 states with the possibility that states on the fringes may be covered if no other regional statistical service is available for such states. It is contemplated that eventually similar regional organizations will be created on the coast, in the east and south. Vestal Lemmon, manager of N.A.I.I., has returned from the coast where discussions were held on the idea of setting up such a service there.

#### Form Ill. Rating Bureau

The next day much the same group formally put into being Illinois Bureau of Casualty Insurers as a rating organization under the law. Recently Hoosierland Rating Bureau was organized in Indiana and the program contemplates setting up such a unit for this independent group in all states.

C. M. Fish of Freeport Motor Casualty presided and was elected permanent chairman with Hugh Johnson of Chicago Motor Club as secretary.

The proposed by-laws were discussed in detail and several amendments decided upon. It was originally proposed that the bureau cover all casualty lines except fidelity-surety, compensation and A. & H. This was changed to include fidelity-surety in the bureau's scope. This was at the instance of Employers Mutual Casualty.

Also deleted was a provision requiring that all companies under the same management shall belong.

Elected as the first directors are: Economy, Illinois National Casualty, Motor Vehicle Casualty, Chicago Motor Club, Hoosier Casualty, General Casualty of Madison, Wolverine and Hawkeye Casualty.

Mr. Fish was elected president; P. N. Snodgrass, General Casualty, and V. M. Ray, Hoosier Casualty, vice-presidents; Robert Icks, treasurer, and Lloyd Trunk, Western States Mutual, secretary.

Mr. Bell was also retained as manager

## Aviation Groups Exercised Over Anti-Trust Situation

### Excluded from State Regulation, Wonder What to Do After PL15 Deadline

NEW YORK—Aviation underwriting groups are now sweating over the problems of how to avert anti-trust action after July 1, 1948, the deadline for state rating legislation under public law 15. Aviation insurance was excluded from the all-industry bill at its own request, but now the pools wonder how their members can make rates in combination without running afoul of the Department of Justice. Two or three of the large company groups are pulling out of the pool, and while this movement doesn't represent a wholesale exodus by any means, it is indicative of how firmly those companies are convinced that unregulated rate making within a pool will not do after next July 1.

Some company aviation groups have expressed regret that they were excluded from state rate regulation because they would not now have the problem of getting something done before July 1, 1948. The problem is complicated because many of the state legislatures will not be in session next year.

#### Two Courses of Action

Two courses of action have been suggested. Aviation underwriters can do nothing and wait until the deadline has passed, hoping that everything will turn out all right. One view is that aviation resembles inland marine and so it might escape. The other course is to file a notice of intention with the states that the aviation underwriters will subject themselves to state regulation when the legislatures meet again.

Thus hull underwriting could be added to the inland marine section and the casualty lines added to the casualty section of state rating laws.

The two committees now working on the project, one of which was appointed by the National Board and the other by the Assn. of Casualty & Surety Companies, have not been able to agree on a common course, nor are the executives of the aviation companies or the aviation groups in agreement. What they do agree on is the fact that something must be done and the sooner it is done the better.

of this bureau and Ekern, Meyers & Matthias, as counsel.

E. A. Meyers of that firm outlined some of the considerations involved in determining whether a company should join such a bureau or go completely independent. He said the bigger a company the less important to it is bureau machinery, but even the largest company may have thin experience in some territories or classifications and it would be difficult for them to support their own filings in such areas. The smaller the company the more valuable to it is bureau membership, he said, pointing out that a company has nothing to do in its own behalf when a bureau makes a filing and the company has no desire to deviate.

In speaking of deviations, Mr. Meyers voiced the belief that it will be comparatively easy to obtain state approval for a departure based on below average

(CONTINUED ON PAGE 32)

## Chase Bank Official Urges Safe Deposit Cover Change

"Safe deposit insurance is no longer a luxury and the only features of it which are still possibly open to debate are the precise form and the amount of the protection which is to be carried," Kenneth C. Bell, vice-president of the Chase National Bank, told a large audience at the national safe deposit convention in New York City.

Though safe deposit insurance has been written for many years it is only recently that the coverage really desired by the banks has been available in the domestic market, he said. That coverage is legal liability insurance, although the broader type of contract is still not generally available here. He thinks that a very poor job of selling the policy has been done, possibly because of buyers' lethargy, the educational job that had to be done in the banks, and because the coverage was poor. The blanket safe deposit burglary and robbery policy is not worth the paper it is written on in providing adequate vault protection, he declared. Banks and safe deposit companies

should not advertise vault insurance even as a means of reassuring their customers, he advised, because such publicity courts trouble, and might lead to cancellation of the protection.

"Legal liability or broader insurance is the only special vault coverage applicable to the loss of, or damage to the property in customers' compartments which offers broad indemnity at reasonable rates to protect banking institutions which conduct a safe deposit business. Anything less is insufficient; anything more is not generally advisable in the market and is of questionable value", he said.

He advised banks and safe deposit companies to increase policy limits because of increased potential hazards and to take advantage of lower premium costs. The dollar doesn't go as far today as it did, he added, and claims, particularly fraudulent ones, are likely to be greater than ever before. In determining adequacy of policy limits, it is better to be safe than sorry. With many liability coverages the higher the

limits taken the lower the proportionate cost.

The present safe deposit policy is limited to losses occurring during the policy period. This is sufficient for burglary losses which leave evidence behind but it does not cover a loss where there is no sign of forcible entry. As an example of this he mentioned improper access to a box by a person possessing a key and presenting forged authorization for access. He suggested the policy be on the basis of discovery or first notice within the policy year.

Under the present form after a loss the policy amount is reinstated but only for subsequent losses. He believes that reinstatement should be the same as the modern bankers blanket bond, which provides full or retroactive reinstatement.

Premiums should be computed on the number of rented boxes and not on the total number of boxes in the vault, he suggested. It is pretty difficult to understand how customers' property can be lost from empty boxes.

In addition to these three limitations he feels that the main drawback to safe deposit liability cover in this country is that it is now written only as separate coverage. There is discrimination against commercial banks and trust companies because savings banks and

(CONTINUED ON PAGE 32)

## Several Changes Are Made in Liability Manuals

### Most of Them Are Educational or Clarifying in Character

NEW YORK—Several changes have been made in the general liability manuals by National Bureau of Casualty Underwriters. Many of them were found necessary after the complete revision of the manuals made earlier this year, after the new manuals were subjected to practical application. Some changes are of the sort made routinely; for example, the rates for employers liability on farm employees, including medical payments insurance, have been revised for some states because of revised compensation rates.

In the contractual liability manual, for elevators in manufacturing or industrial plants or warehouses the additional charge shall be the manual premium applicable to the lessor under elevator liability code No. 037 or No. 026B, whichever is appropriate. This change permits the use of the lower premium for one story elevators in such risks where the same premium would apply to the lessor under a separate policy.

### Protective Liability Rule

In the elevator liability manual, the landlords' protective liability rule has been amended to provide more clearly that the rule applies if the elevators are contained completely within a portion of a building leased to a single interest in accordance with the rule. Medical payments exclusion (a) (1) has been amended to include reference to "any partner therein" in order to bring the manual into conformity with the standard provisions endorsement for medical payments coverage. This is the exclusion that applies to named insured, tenant, employee of insured, etc. The minimum premium rule for medical payments coverage has been amended so that on three year policies the basic discount rules in the elevator liability manual apply.

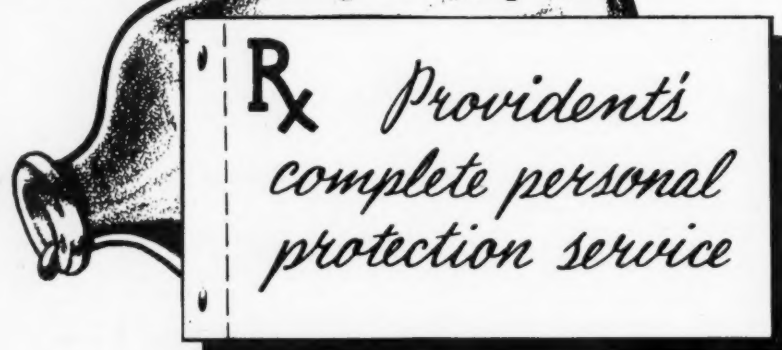
The B.I. and P.D. exclusions in manufacturers' and contractors' liability have been amended to exclude coverage for loading or unloading of watercraft away from the premises. This is coverage afforded in connection with boats, and excluding the coverage is consistent with the procedure followed with power driven vehicles. The entire payroll of aircraft pilots and co-pilots is to be excluded in computing premiums, which brings the rule into conformity with the rule for chauffeurs, in connection with premium rule VI subdivision 1(g). Amendments have been made in the classifications relating to the plastic and plastic goods manufacturing industry to correspond generally with the new compensation and employers' liability classification.

### Now "Funeral Directors"

Also in the M. & C. manual the term "undertakers" has been changed to "funeral directors." For some years those engaged in this work have sought to establish the name "funeral directors." There is a new classification, "insulation work—installation or application of acoustical or thermal insulating materials in buildings or within building walls—N.O.C."—to correspond with a similar classification established for compensation and employers' liability insurance. The classification "livestock commission merchants" has been

(CONTINUED ON PAGE 32)

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## Bureau Explains Mechanics of New Rating Laws

National Bureau of Casualty Underwriters is now going over the practical problems involved in rating under new state rating laws with officers and representatives of the state agents' associations and then with that group and the commissioners and their deputies. The purpose of the meetings is to explain what the law means, discuss administrative procedure, and give details of filings that are being made under the new laws.

This has, of course, put an extra burden in the closing months of 1947 on the bureau's staff, but bureau officials want to be as helpful as possible to agents and insurance departments in approaching unfamiliar ground.

### Covers Lot of Ground

James M. Cahill, secretary of the bureau, and his staff are holding the conferences. For example, Mr. Cahill during the past week was at Portland, Me., on Tuesday to meet with the officers of Maine Assn. of Insurance Agents and then with that group and the com-

missioner and his deputies. From there he went directly to New Hampshire and repeated the performance, and then to Vermont. There are substantial similarities in the rating laws and in the procedures that are affected by those laws. There are, however, certain differences, and these have to be kept in mind.

Agents particularly need to understand the mechanics and effects of the filings.

### Bidle Names Committees

Logan Bidle, Aetna Life, chairman of the governing committee of Bureau of Accident & Health Underwriters, has appointed these committee chairmen: John P. Lydon, Ocean Accident, manual and classifications; W. E. Kipp, Indemnity of North America, underwriting; R. A. Payne, Travelers, insurance departments; A. B. Hvale, Continental Casualty, social insurance; H. V. Williams, Hartford Accident, statistical; Harry Prevost, U.S.F.&G., public relations and press; Millard Bartels, Travelers, law; K. C. Atwood, Jr., Preferred Accident, aviation; Ray L. Hills, Great American Indemnity, 1948 annual meeting; and F. L. Templeton, Maryland Casualty, nominating.

## To Sell New Mass. Bonding Stock at \$26

BOSTON — Massachusetts Bonding voted to issue 100,000 additional shares of stock to be sold at \$26 per share to holders of rights.

## Defer Action on Pa. Mutual

HARRISBURG, Pa. Oct. 3.—A decision on state action in the case of the Protection Mutual of Ebensburg, Pa., is pending the return of Deputy Attorney General Ralph Umstead after a west coast trip.

Alleging mismanagement, the insurance department pointed out that the mutual has the same officers as the now defunct Keystone Mutual Casualty, now in the process of liquidation.

## May Revise Mich. Setup

LANSING, MICH.—A special committee was appointed at a meeting of Michigan workmen's compensation bureau to propose and draft constitutional changes necessary to adapt the bureau's operations to the 1947 all-industry act. Under the new rate regulatory law, it was noted by department officials, some carriers might choose to make their own rate filings or set up new bureaus.

The committee consists of William C. Bishop, manager state accident fund; Paul E. Laymon, Standard Accident, and L. J. Carey, Michigan Mutual Liability.

## U. S. Hikes Helicopter Rates

Aviation underwriters have not had satisfactory experience on helicopters in the past year and rates have been increased from 5 1/2% to 15% by U. S. Aviation Underwriters.

## Hohaus A. & H. Chairman

Reinhard A. Hohaus, actuary of Metropolitan Life, is the new chairman of the health and accident committee of the U. S. Chamber of Commerce. Other members are: Henry S. Beers, Aetna Life; Rollin M. Clark, Continental Casualty; Dr. C. C. Criss, Mutual Benefit H. & A. Association, Omaha; J. Dewey Dorsett, Assn. of Casualty & Surety Companies; Byron K. Elliott, John Hancock Mutual Life; J. F. Follmann, Bureau of Accident & Health Underwriters; Harold R. Gordon, Health & Accident Underwriters Conference; Philip S. Haring, Employers Liability; Henry D. Locke, Liberty Mutual; John N. Miller, Monarch Life; J. Henry Smith, Equitable Society; R. J. Wetterlund, Washington National.

## Plan N. Y. Sales Congress

The Accident & Health Club of New York will conduct a sales congress the morning of Oct. 28 at 84 William Street. W. J. Thompson, vice-president Royal, Eagle, Globe Indemnity companies, will preside. Speakers are D. A. Stern, New York city general agent; M. L. Lane, producer of general lines and life; and H. L. Plumley, vice-president of State Mutual Life. Arthur Polhemus, Globe Indemnity, is chairman of the educational committee which is sponsoring the congress.

## Confer on Ill. W. C. Setup

Representatives of National Bureau of Casualty Underwriters are holding a conference Oct. 24 with Insurance Director Parkinson of Illinois on questions relating to the establishment of the National Bureau as a compensation rating bureau in the state under the new law. It has now been determined that National Council on Compensation Insurance will not be the rating authority in Illinois. There will thus be a multiple bureau setup in the state.

Edward Scheidt, in charge of the FBI at New York, will speak at the Burglary & Glass Insurance Club at a dinner meeting Oct. 16.

## May Reach Agreement on Zone 4 A. & H. Demand

While no decision was reached at the joint meeting of Zone 4 commissioners and the N.A.I.C. accident and health committee at Chicago Wednesday on the zone 4 proposal that A. & H. companies be required to report experience by policy forms, there seemed to be a good prospect of reaching an agreement, possibly through referring the matter to a sub-committee to work out the details.

The industry proposal, which is expected to form the basis for whatever action is taken, is that the companies set up this data at the home offices subject to call by a commissioner on a specific case, but that it not be required except under those conditions.

## Continental Wins Ia. Case

COUNCIL BLUFFS, IA. — Federal Judge Dewey ruled against the city of Council Bluffs in its suit for \$14,000 against Continental as the result of the collapse of a water tower in February, 1946.

He held that the city failed to establish that it was a windstorm that caused the tower's collapse. The city contended that the damage to the tower was covered by a windstorm policy in Continental.

## Interstate Plan in Tenn.

NASHVILLE—A new interstate experience rating on compensation risks became effective in Tennessee Oct. 1.

## Actuaries Meet Nov. 14

Casualty Actuarial Society will hold its annual meeting Nov. 14 at the Biltmore hotel, New York.

Donald M. Stewart, underwriter for Aero, is pictured in the September issue of "Glamour" magazine. The caption tells how he bakes fish and lists his favorite recipe.



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## Insurance Representatives Pace Nat'l. Safety Congress at Chicago

The National Safety Congress and Exposition at Chicago has been paced by four speakers from the National Conservation Bureau, accident prevention division of Assn. of Casualty and Surety Companies. An annual meeting arranged by the bureau has been held in conjunction with the congress.



H. R. Danford

Bureau speakers included Thomas N. Boate, director of the special services division; Harold R. Danford, director of the safety education division; John V. Grimaldi, director of the industrial safety division, and Henry K. Evans, director of the traffic engineering division.

Mr. Evans declared that most small cities are in need of guidance in their traffic problems. Every city of 50,000 to 100,000 population should have a full time traffic engineer employed to shoulder some of the accident prevention load and leave police free to devote more time to enforcement. Pointing out that several national organizations stand ready to give assistance to communities with traffic accident problems, he outlined the methods of traffic surveys and spot checks which are used to solve these problems. He invited city officials with traffic problems and high accident rates to write to the National Conservation Bureau for assistance.

### Terms Education Costs Negligible

Mr. Danford pointed out that reliable estimates place the expense of putting one student through a complete driver education course at \$28. This cost per pupil included the purchase and maintenance of a dual-control training car for instruction. This cost is negligible, he said, when compared with the thousands of dollars and the lives saved through reduced motor vehicle accidents.

Mr. Boate urged periodic, uniform motor vehicle inspection as a necessary adjunct to accident prevention activities. Outlining the progress of compulsory and voluntary inspections since 1927, he said need for checking hazardous defects in automobiles has been established and confirmed through reduced accident rates where conducted.

Mr. Grimaldi declared that physically impaired workers in industry have been shown to be as productive and in most cases safer workers than have physically normal employees. Basic requirements for the most satisfactory employment of handicapped workers are proper placement and supervision, he said. Placement procedures responsible for the success of the physically impaired are desirable for all workers, he said.

Addressing the organized public support session, John G. Mayer, assistant secretary of the National Assn. of Insurance Agents, offered an oath to be adopted countrywide, to make the public aware of the mounting highway accident tolls. Mr. Mayer is chairman of the advisory committee of the National Committee for Traffic Safety.

The speaker urged delegates to repeat the pledge at each meeting of civic organizations. Delegates present represented 138,000 local units which should reach every adult automobile driver. Mr. Mayer said such a plan would snowball, and prick public consciousness into thoughtful action.

The audience repeated the following pledge which Mr. Mayer's organization

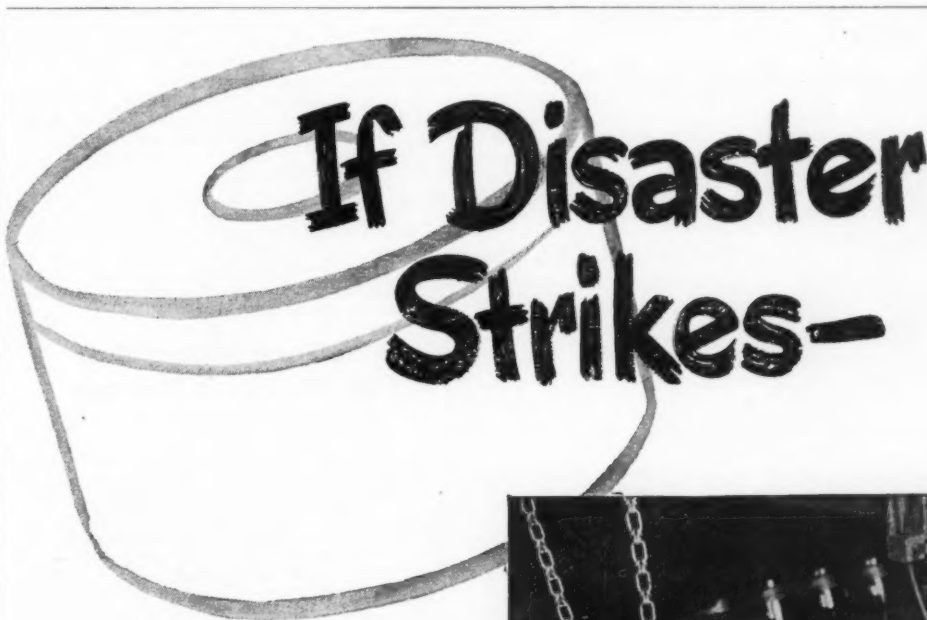
has named the "Oath of Safety to Fellow Man:"

"I solemnly pledge to my fellow man that I will faithfully observe the rules of the road; extend the accepted courtesies of the highway; and be ever-alert in the operation of my automobile so that he, whether he be pedestrian or

driver, shall enjoy the same privileges as I, with every assurance of safety."

Percy Bugbee, general manager of the National Fire Protection Assn., said that 90% of the 1946 fires involving losses of \$250,000 or more occurred in buildings of definitely inferior construction saying. He commented, "There is a definite relationship between our disgraceful fire record and building construction practices and building codes. The architects who design our buildings have a moral obligation to design fire-safe structures but principles

of good fire protection in building construction have not received proper attention in our architectural and engineering colleges. In altogether too many U. S. cities the existing building codes are antiquated and the building departments of our cities have not been named with enough experienced men to do a good job of inspection to see that buildings are properly built. It has always been a puzzle to me that in many of our cities the building and fire departments are not more closely coordinated."



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## Arthur Fox to M. & M. Bond Post

Arthur G. Fox, formerly assistant manager at Indianapolis office for Travelers Indemnity, has joined the Chicago office of Marsh & McLennan and will be associated with the fidelity and surety department of which his father, Gordon H. Fox, is manager.

Mr. Fox had charge of the bond department for Indiana for Travelers, with which he had been for the past seven years, including two years in the armed forces. He served in the Philippines, attaining the rank of lieutenant.

He was born at Chicago in 1913 and was educated at Bowdoin College. He started in the insurance business with National Surety in 1937, and engaged in field work for this company until 1940 when he went with American Employers for one year, starting with the Travelers in 1941.

## Again Take Up D. C. Bill

WASHINGTON—The Washington Board of Trade insurance committee, headed by Howard Starling, referred the Simpson compromise casualty rating bill for District of Columbia back to a

special subcommittee, also headed by Mr. Starling. All groups concerned are represented on the subcommittee of 13, which is expected to endorse the Simpson bill, ultimately.

Organizing the board of trade insurance committee, Mr. Starling named Guy E. Mann, Aetna, vice chairman and Victor O. Schinnerer, chairman of a casualty and property subcommittee.

## Form New Iowa Mutual

American Farmers Mutual Casualty of Des Moines has been incorporated with George Johnson, New Hampton, president; J. K. Santee, Iowa Falls, vice-president; Guy L. Roberts, Des Moines, secretary, and P. A. Henderson, Des Moines, treasurer.

Officers of the new company are associated with American Farmers Automobile and American Farmers Life, both of Des Moines. The new company will concentrate on general liability policies for farmers.

## New York A. & H. Club Meeting

A. & H. Club of New York will hear Bess Furman, New York "Times" Washington correspondent, on the Wagner-Murray-Dingell bill at its meeting Oct. 23.

## F.&D. Makes Denver, Hartford Changes

Raymond O. McKenzie, for the past nine years manager at Hartford for Fidelity & Deposit, has been appointed manager at Denver. He succeeds Donald D. Scheib, who will leave at the end of the year to engage in local agency work at Denver. Present active head of the Denver office is Resident Vice-president Sidney Moritz, who will continue in that capacity until Dec. 15, when he will reach retirement age.

C. C. Kessler, Jr., formerly assistant manager at Hartford, has been promoted to manager there.

A native of Malden, Mass., Mr. McKenzie has been connected with F. & D. 22 years. Prior to his appointment to Hartford in 1937, he had been associated with the Boston office.

Mr. Kessler has served as assistant manager at Hartford since 1938. He had previously been at Buffalo and Cincinnati as special agent. He has been with F. & D. since 1923 and was a member of its agency department at Baltimore for several years.

## State Farm Mutual Must Pay 2% Tax in Nebraska

LINCOLN, NEB. — In a ruling sought by Director Stone of Nebraska, Attorney General Johnson holds that although State Farm Mutual Automobile writes only coverage for motor vehicles, it must pay the 2% tax on gross receipts, including the \$6 membership fee required when a policy is issued, as is required of all foreign surety companies.

The company claimed it was exempt from tax because the law applies only to companies writing fidelity bonds, but the attorney general says that although the statutes do not define "surety companies," the law is broad enough to include all companies authorized to sell contracts of insurance which are, in fact and in law, contracts of suretyship.

The tax applies, he said, to such contracts since these give "sureness, security and a sense of confidence in the parties insured." As the law says the tax shall be on gross receipts, this includes membership fees. The constitution provides that foreign companies shall not be given greater rights and privileges than domestic corporations, and as these pay taxes, all foreign companies are liable.

## First Experience Rating Plan Filed in Washington

SEATTLE — Indemnity of North America has filed an experience rating plan on casualty lines with the Washington department and it is expected that similar special plans will be filed by other companies, including the National Bureau of Casualty Underwriters.

Special plans such as individual risk rating, experience and equity rating have been prohibited in the past, but the rating chapter of the new code, effective Oct. 1, states that "classification rates may be modified to produce rates for individual risks in accordance with rating plans which establish standards for measuring variations in hazards or expense provisions, or both. Such standards may measure any differences among risks that can be demonstrated to have a probable effect on losses or expenses."

## Conn. Motor Club Takes Up Insurance Rate Issue

HARTFORD—Higher liability insurance costs in Connecticut are due to the fact that this state has more automobile accident claims than any other, Commissioner Allyn has told a special committee named by the directors of Connecticut Motor Club.

Alarmed by the fact that Connecticut motorists face the imminent possibility of paying even higher premium rates,

the motor club committee has requested Connecticut Assn. of Insurance Agents to study settlement costs.

Mr. Allyn told the committee that his primary concern is the financial solvency of insurers and to see that companies can meet all the claims that may accrue.

To this end, he is now examining the financial position of some liability companies quarterly rather than annually. He said he has placed a limit on the amount of liability coverage some of the companies may write in Connecticut.

A survey made by the motor club committee of 30 cities in 20 states besides Connecticut in the 100,000 to 200,000 population class, disclosed that the average rate outside the state is \$20.49, for class A B. I. The rate for both Bridgeport and New Haven is \$41 and Hartford, with a rate of \$35, is surpassed only by Utica and Yonkers, each with a \$36 rate.

## Neb. Mail Order Insurers to Pay Premium Tax There

LINCOLN, NEB. — Nebraska life and accident companies that collect premiums from policyholders in states in which they are not licensed and where they do not pay any taxes on them will have to report them for taxation in their home state, Attorney General Johnson has advised Director Stone. The state tax is 4 mills. The attorney general holds that if a company is not licensed in the state where the policyholder resides, its only legal authority to collect premiums from them is by virtue of its charter and license from the state of Nebraska. In that event it must be regarded as doing business under and by virtue of Nebraska laws and therefore premiums are subject to the taxes imposed by this state upon such business. Mr. Johnson added that it is a reasonable presumption that being unlicensed the company has no authorized agent and that the premium can only be sent to the home office in Nebraska, which would be a collection in this state. The rule is that a company is not bound by receipt of the premium when deposited in the mail, but when actually received at the home office, and that means the premium is actually paid in Nebraska.

## D. of C. Managers Elect

WASHINGTON—Insurance Managers Assn. of District of Columbia has elected L. C. Rosenkrane, Fidelity & Deposit, as president, and Gale C. Morgan, Stock Company Assn., vice-president.

## Fire, Casualty and Surety Reinsurance

### Excess Covers

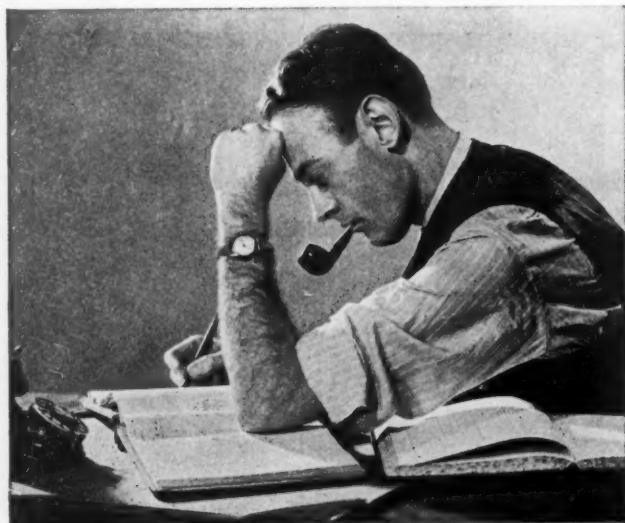
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## A. & Foru Impo

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## ACCIDENT AND HEALTH

### A. & H. Underwriting Forum Discusses Impaired Risks

Discussions centering around the problems of impaired risks and classification of risks highlighted the initial session of the underwriting forum sponsored by the Health & Accident Underwriters' Conference at Chicago, with more than 90 company men participating. D. B. Alport, Business Men's Assurance, underwriting committee chairman, presided. The announcement that a new underwriting guide will be prepared by that committee was enthusiastically approved.

A study for the revision of the occupation classification manual to be made by the underwriting committee was suggested after a discussion of classification of risks. The committee will review the suggestions sent in by member companies and a report will be made at the annual meeting of the conference in May.

In underwriting impaired or special class risks it was brought out by the delegates that the declination rate on this class of business is very low but the companies are trying to further coverage of this type of risk and reduce the rate even greater.

The concluding session featured discussions on handling risks who have permanent impairments (loss of limb, sight, etc.) and underwriting action to be taken in considering such risks.

Diseases considered to be of a chronic nature, such as gall bladder ailments, goitre, hernia, kidney stones, rheumatism and sciatica, were also discussed with a review of practice now followed by underwriters in issuing coverage for these types of risks.

There is a growing tendency to provide worldwide coverage on hospital policies by many companies, it was revealed, with the apparent problem of claim settlement partially solved through aid of the International Claim Association's committee on foreign claim settlements. The companies felt, however, that extreme care must be exercised in covering individuals working or traveling for an extended period in foreign countries because of the rate of currency exchange and lack of adequate claim paying offices outside of the United States.

### General American Writes Mine Union Group Cover

General American Life has been awarded the group casualty contracts for the health and welfare fund of Progressive Mine Workers union members and dependents. More than 30,000 will be covered with yearly premiums for group coverages exceeding \$400,000.

Members will be provided with group accident and sickness, hospital and surgical while dependents will be covered by group hospital and surgical.

### N. Y. Department Withdraws Approval of 15 A. & H. Forms

The New York department has withdrawn approval of 15 A. & H. policy forms written by seven companies principally in Harlem and certain sections of Brooklyn. Basis of disapproval on some of the policies is that benefits are unreasonably small in relation to premiums and operating expenses are excessive; on the others the policy provisions are unduly restrictive even though the losses and expenses are more.

Data collected by the department shows that policyholders in some cases collected only 20 to 30c in benefits per dollar of premium and that the com-

missions to agents in some companies average twice the amount paid policyholders.

Policies disapproved for the first reason are: American Progressive Health's royal and juvenile accident and sickness forms; Columbian Protective's Columbian peerless standard and superior; Empire State Mutual's modern package plan and paymaster and Unity Life & Accident's ideal.

Policies disapproved for the second

reason are: Commercial and Metropolitan Casualty's acme and popular and Continental Casualty's protector and new sterling.

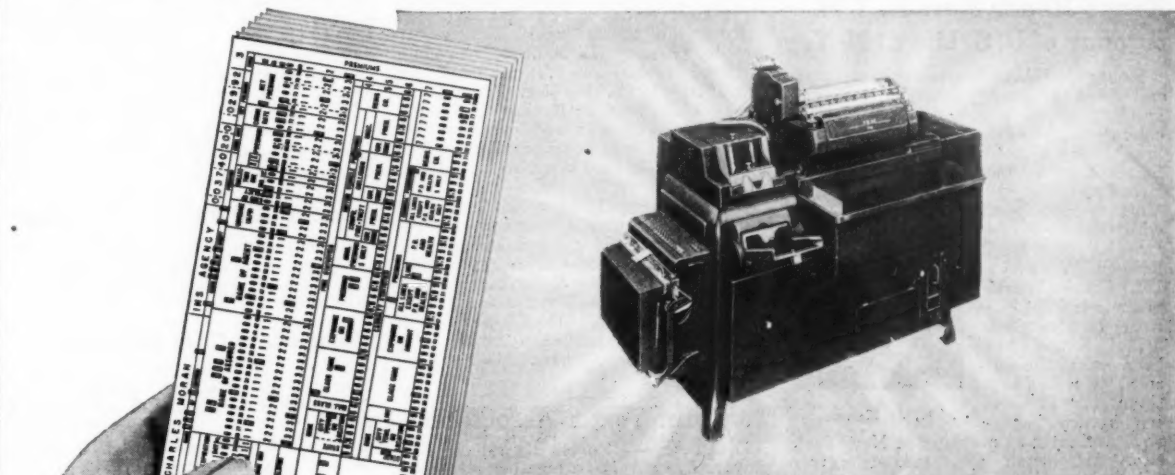
Superintendent Dineen said that the objectives of fairness and equity to policyholders are endorsed by leaders in the business; that only a small number of policies of the companies concerned there are subject to the order, that the companies themselves bear excellent reputations and that most of them already have indicated they are liberalizing the policies in question.

Dr. Charles N. Ford, president of United Mutual Life, commenting on the department action remarked that many

persons in Harlem have known of the situation, but could do nothing at the time under the law. He said that Mr. Dineen's interest in the welfare of the people of Harlem is appreciated and the business will be benefited by his constructive assistance.

### Wallace on Conference Executive Committee

At a meeting of the executive committee of the Health & Accident Underwriters Conference at Chicago the resignation of C. W. McNeill, formerly vice-president of Union Mutual Life,



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| EFFECT | MO. | YR. | NAME OF ASSURED | KIND | POLICY NUMBER | COMM. RATE | PREMIUM | COMMISSION | NET PREMIUM |
|--------|-----|-----|-----------------|------|---------------|------------|---------|------------|-------------|
| 05     |     |     | CHARLES MORAN   | A BI | 1 146785      | 200        | 3740    | 748        | 2992        |
| 05     |     |     | CHARLES MORAN   | A PD | 1 146785      | 250        | 960     | 215        | 645         |
| 05     |     |     | ROLAND D DAVIS  | BURG | 1 74321       | 300        | 1725    | 517        | 1208        |
| 05     |     |     | H H JOHNSON     | P G  | 1 15456       | 350        | 9515    | 3330       | 6185        |
| 05     |     |     | D A HOOVER      | A H  | 1 195732      | 350        | 6500    | 2275       | 4225        |
| 05     |     |     | ARTHUR CAHILL   | COMP | 1 307856      | 175        | 16575   | 2901       | 13674       |
| 05     |     |     | WALTER BARNETT  | COMP | 1 307857      | 175        | 4370    | 765        | 3605        |
| 05     |     |     | RAY PERSONETTE  | G L  | 1 12654       | 200        | 1525    | 305        | 1220        |
| 05     |     |     | JAMES TAGGE     | G L  | 1 12655       | 200        | 710     | 142        | 568         |
| 02     |     |     | SMITH & CO      | FIRE | 2 178930      | 250        | 1723CR  | 431CR      | 1292CR      |
| 05     |     |     | NORMAN JONES    | FIRE | 1 178955      | 250        | 2250    | 562        | 1688        |

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was accepted, and Travis T. Wallace, president of Great American Reserve, was appointed to fill the unexpired term.

A special committee on dates and places of future meetings, of which Frank L. Harrington, Massachusetts Protective, is chairman, recommended that the 1949 annual meeting of the conference be held in Chicago, 1950 in New York, 1951 in Chicago and 1952 in Colorado Springs.

Several committee chairmen made informal reports of the progress of their committees. The next meeting of the executive committee will be held in Chicago Nov. 19.

### Keane Heads New A. & H. Agency of U. S. Life at N. Y.

Robert J. Keane has been named general agent for a newly established agency specializing in accident and health lines for United States Life at 150 Broadway, New York. Associated with him will be Douglas J. Moe, Rueben Warner III, Frank Workman and Miss Rose L. Dempsey.

Mr. Keane has been with Continental Casualty since 1938 as eastern agency supervisor and later as manager at New York city. He began his insurance career with Aetna Life in 1934 and was later with Equitable Society. He is a graduate of Fordham university.



R. J. Keane

### Breidenbaugh to Open N.J. Series

The New Jersey Women's Accident & Health Insurance Assn. will open its series of lectures Oct. 20 with a talk on education by O. J. Breidenbaugh, ex-

ecutive secretary of the National association. He will be accompanied by G. H. Knight, president, and C. B. Stumpf, second vice-president of the National association.

### Notable Program Arranged for Baltimore Sales Congress

The Baltimore Assn. of Accident & Health Underwriters has arranged a notable program for its sales congress Oct. 17. Joseph L. Kowins, Mutual Benefit Health & Accident, secretary of the Baltimore association, is general chairman and Harry N. Stadlet, Travelers, will preside. Mayor D'Alesandro of Baltimore will give the address of welcome and the morning speakers will include Gilbert H. Knight, president National association, "Blue Print for Progress;" D. S. Walker, Philadelphia manager of Mutual Benefit H. & A., national executive board member, and Charles B. Stumpf, second vice president of the National association, "House of Life."

Commissioner Hanley of Maryland will be the luncheon speaker and the afternoon program will include talks by J. E. Stoughton, home office representative at Baltimore of the group department of the State Mutual Life; Ivan Fuqua, Washington, D. C., and O. J. Breidenbaugh, executive secretary National association, "From Dabbler to Sales Expert."

### To Form Texas Association

DALLAS — Porter Bywaters, Employers Casualty, as a member of the executive board of the National Assn. of Accident & Health Underwriters, has called a meeting at Austin Oct. 11 to organize the Texas Assn. of Accident & Health Underwriters.

There are now four local accident and health associations in Texas, but it is felt that a strong state organization representing the producing solicitors,

managers, brokers, and all other individuals interested in the advancement of the disability insurance business in Texas is needed.

### Indianapolis Sales Congress

The Indianapolis Accident & Health Club has set Oct. 30 for its fall sales congress. Attendance of more than 200 is already assured.

Featured speakers for the afternoon session, which will be devoted to addresses and demonstrations on sales ideas and techniques, will be Travis Wallace, president of Great American Reserve of Dallas, and William R. Dignan of Cincinnati, president Ohio Assn. of Accident & Health Underwriters. A top official of the National association will also appear on the program.

The committee in charge has announced that the luncheon speaker will introduce a new topic that offers real opportunity for a national public relations project for the accident and health industry.

### Leaper Milwaukee Speaker

Verne Leaper, general agent of Old Line Life at Green Bay, Wis., addressed the Accident & Health Underwriters of Milwaukee on "Franchise Insurance."

### Citizens L. & C. to Sell Stock

LOS ANGELES—Citizens Life & Casualty has been authorized to sell 5,000 shares of stock, \$10 par value, at \$20, to net the company \$100,000 in capital and surplus in order to qualify to write disability insurance.

### Dignan to Open Columbus Season

The Columbus Accident & Health Assn. will hold its first fall meeting Oct. 13. Speaker will be William Dignan of Cincinnati, president of the Ohio association.

### Drenk Resigns Blue Cross Post

Harry S. Drenk has resigned as assistant director of the Chicago Blue Cross plan. He has not announced any future plans.

### V. T. Johnson Gives Service to N. Y. Brokers

Vincent T. Johnson, for the past seven years in the New York office of Century Indemnity doing underwriting and special risk work, has resigned to go into business for himself as an insurance consultant, providing service for brokers. He will do risk analysis, classification, rating, auditing, determine proper coverages, and provide assistance in insurance engineering. For the present he will work out of his home in Parkchester.

Prior to joining Century Indemnity, Mr. Johnson was with Globe Indemnity five years and prior to that spent four years with the brokerage firm of Hamlin & Co. in New York City. He is secretary of the Casualty & Surety Club of New York.

### Openings in N. Y.

The New York department of civil service will conduct examinations within the next few months for an assistant self-insurance examiner for the workmen's compensation board and for an assistant compensation claims auditor for the state insurance fund. The salary range for the first position is \$2,760-\$3,360 and for the second it is \$3,000 to \$3,600. Interested applicants should write to the department of civil service, state office building, Albany.

### Atlantic City Open House

Manufacturers Casualty and Manufacturers Fire will hold open house at Hadron Hall, Atlantic City, during the N.A. I.A. convention. President Stanley Kite and Vice-presidents H. L. Van Horn, George H. Garner and Harry F. Legg will be in charge.

## CHANGES

### Hartford Accident Promotes 4 in West

Charles N. Dubach has been promoted to superintendent of the agency department in Hartford Accident's western department at Chicago. He has been with Hartford over 30 years after having previous experience in London & Lancashire Indemnity and Pacific Mutual Life. His first assignment with Hartford was in the compensation claim department and after a few years, general adjustment of claims. With the growth of the personal accident department, he was assigned special adjuster of this line and in 1924 moved to the home office in charge of personal accident adjustment.



G. J. Neumann

He returned to Chicago in 1926 to assist in developing volume in personal accident writings and in 1932 was placed in charge of this development. He was placed in charge of production in 1940. With his latest advancement he assumes responsibility of field representatives, as well as agency supervision throughout the territory.

George J. Neumann has been promoted to superintendent of the production department. He is a graduate of University of Notre Dame and joined Hartford after spending some time in retail merchandising. He was an un-



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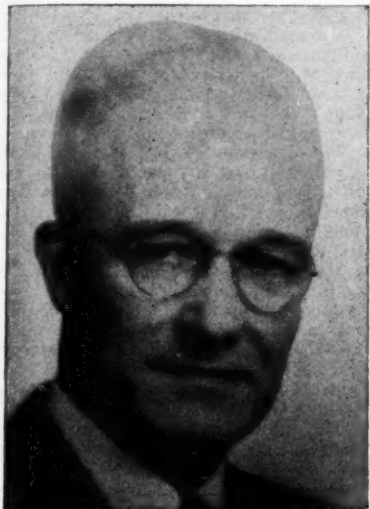
### Kloppel Post for

American ward B. K ing at Phil the home c Mr. Klo supervisor later safety S. C. Ship joined Am



derwriter and later a special agent in the personal accident department before serving 4½ years as a pilot in the army air forces. Returning to Chicago, he assumed responsibility of the personal accident department as superintendent.

Gerald N. Morrissey, in the capacity of superintendent, assume responsibility for the compensation and liability department. He served in a similar capacity for Builders & Manufacturers Casualty before joining Hartford in 1938 as a compensation underwriter. Shortly thereafter he took charge of large risks and retrospective rating cases. In 1946 he was appointed assistant superin-



CHARLES N. DUBACH

tendent of the department and has been serving in this capacity up to the present time.

Edward M. Ozanick becomes assistant superintendent of the department. He is a graduate of University of Michigan, and his first insurance experience was in the agency business. He then joined Michigan Compensation Rating Bureau and later became assistant to the manager. In 1939 he joined Hartford in the compensation and liability department. He is a war veteran and after his return to the Chicago office he attended a refresher course at the Hartford training center.

#### Four Men Appointed by Ohio Casualty in Chicago

Joseph B. Nickels has been appointed by Ohio Casualty as downstate Illinois field man.

August M. Dvorak now is manager of the bond department in the Chicago branch office.

J. L. Austin has been named to handle the downstate underwriting in all lines.

Mr. Dvorak goes from Indemnity of North America in Chicago where he was special agent and headed up the bond department. Mr. Austin goes to Ohio Casualty from Great American Indemnity in Chicago, where he headed up the Chicago and Cook county departments and handled the underwriting for 12 midwestern states.

Henry Wiemerslage has been appointed Cook county automobile underwriter. He goes from Travelers Indemnity in the Chicago branch where he did auto underwriting. He has had over 20 years' insurance experience.

#### Kloppel to Home Office Post for American Casualty

American Casualty has promoted Edward B. Kloppel, supervisor of engineering at Philadelphia, to superintendent of the home office engineering department.

Mr. Kloppel was for 15 years safety supervisor for Maryland Casualty, and later safety director of the Charleston, S. C., Shipbuilding & Drydock Co. He joined American Casualty in 1946 fol-

lowing service in the army. He is a member of American Society of Safety Engineers.

#### Harbison Goes to Travelers Law Department

Hugh Harbison, who has been secretary of the compensation and liability department, has become a member of the law department of Travelers.

For many years, Mr. Harbison has served the compensation and liability department as legal consultant on casualty insurance matters. Now as an attorney in the law department he will be associated with the general counsel in the handling of more general work in addition to continuing as counsel on casualty insurance.

Mr. Harbison was graduated from Yale in 1914 and from Harvard law school in 1917. After serving abroad two years during the first war as a lieutenant with the 303rd machine gun battalion, he returned to civilian life and became associated with Travelers.

He was admitted to the bar in Connecticut in 1918. He entered the casualty underwriting division in 1919. His promotion to secretary was made in 1940.

He is past president of Yale Alumni Assn.

#### Moore Named Statistician

CINCINNATI — Dan Moore, formerly assistant secretary and director of Carolina Casualty,

has been appointed statistician of Midwestern Indemnity of Cincinnati. Assuming his previous position four years ago, he was formerly assistant collection manager for Pennsylvania Casualty. Prior to that, he was an auditor for Commercial Credit Corp. at Baltimore.

Midwestern Indemnity is writing a good volume of diversified business throughout Ohio and is gradually rounding out its home office and field organization, according to W. W. Schneebeck, president.



Dan Moore

#### McGregor Returns to Ala.

A. V. McGregor, formerly superintendent of the surety department at the home office of Hartford Accident, at his request for personal reasons, been transferred to Birmingham, where he will continue to be associated with the bonding department in a production capacity.

Mr. McGregor was born at Sheffield, Ala., in 1896, and has spent practically all of his business career with Hartford Accident. Prior to going to the home office in 1940, he was superintendent of the bonding department at Atlanta. He served in the first war in France and Germany as a second lieutenant. He is a graduate of Atlanta law school and is admitted to practice in the courts of Georgia and the federal courts.

#### John Marshall Exhibit

John Marshall of Chicago has sponsored an exhibit at the convention of International College of Surgeons at Chicago. Purpose was to explain how John Marshall makes payment directly to the doctor for services provided to certificate-holders and dependents.

The exhibit featured an enlargement of the simplified statement form which is supplied to doctors for reporting services to John Marshall members. Samples of the form were distributed to conventioners along with literature describing the history and objectives of John Marshall and outlining benefits under its hospital, medical and surgical care plans.

## PERSONALS

William J. Ahearn, who has been elected executive vice-president of



W. J. Ahearn

Great American Indemnity, is a graduate of law of Syracuse university. He joined Great American Indemnity when it was organized in 1926 to set up its legal and claim departments. In 1932 he became a general administrative officer and since that time, in addition to concentrating on legal

and claim departments, he has actively participated in the production and underwriting activities. He is now the ranking vice-president.

F. W. Hofrogge, vice-president of New Amsterdam Casualty, and George E. Martin, superintendent of burglary claims, have started off on a western trip that will keep them on the road for several weeks. They stopped at Chicago

Monday and Tuesday, then went on to Milwaukee and Minneapolis. They will go as far as the coast.

## DEATHS

Mrs. Myrtle L. Biggs, former auditor for U. S. F. & G. at Louisville and with that company 27 years, died at New Albany, Ind.

Elmer Due, vice-president and superintendent of agents of New Amsterdam Casualty, died at his home at Baltimore Thursday night apparently from a heart ailment. He had returned by motor from the casualty convention at Swampscott and complained of feeling exhausted, but he continued at the office until Tuesday. His age was 54. He was affectionately regarded in home office and field.

He attended McDonough School at Baltimore of which President J. Arthur Nelson of New Amsterdam is also an alumnus. He was with Fidelity & Deposit until he went with New Amsterdam about 30 years ago. He handled depository bond business until that line was discontinued. Then he turned his hand to agency work at which he turned out to be talented.

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*Specializing in: Workmen's Compensation . . . Comprehensive Liability . . . Public Liability . . . Property Damage . . . Comprehensive Personal Liability . . . Automobile Liability.*

## Chase Bank Official Urges Safe Deposit Cover Change

(CONTINUED FROM PAGE 24)

building and loan associations can and do have it in simplified form in their bankers blanket bonds. It is hard from a buyer's angle to understand why bankers blanket bonds cover crime losses in one section of a vault and not in another, he told the group.

Negotiations for the adoption of permissive blanket bond treatment for this insurance are almost completed, he added, and permission may shortly be granted for including some of the changes he recommended in the separate policy.

From the bank angle, he said, there seems not to be a convincing reason why a simple optional endorsement could not be written into the blanket bond and why the coverage could not at the same time be made subject to the merit or experience credit ratings as are the other hazards of the blanket bond. He indicated that a jurisdictional dispute between the Surety Assn. of America and the National Bureau of Casualty Underwriters has interfered with this arrangement for the banks. However, there are rumors of encouraging news from underwriting circles. Banks have

shown considerable interest in the blanket bond treatment of this coverage, he said, and such a setup coupled with a downward rate revision and experience rating should greatly broaden the market for the underwriters.

In view of the companies' good loss experience in this field within the United States the coverage should prove to be a still more profitable field of development once it has been streamlined and brought up to date to meet the buyer's needs, he observed.

Though the underwriters sometimes take the lead in offering to the public new and improved products in all lines of insurance, he thinks that "buyer urging" in the safe deposit liability field would be a great help, and recommended that banks and safe deposit companies give louder and more persistent voice to their insurance requirements. Insurance in any form or in any amount is never an adequate substitute for good vault operating management, however.

## Independents Set Up Statistical Services

(CONTINUED FROM PAGE 23)

expense ratio. In lines such as auto physical damage, it is not difficult to obtain deviation permission on the basis of experience but in the third party lines, with their hangover of liabilities, it is predictable that the commissioner would insist on a company showing that its experience is better than average over a representative period, perhaps five years.

In answer to a question it was brought out that in Illinois most of the independents are 10% off National Bureau rates on auto B.I. and P.D. but are charging N.A.U.A. rates on the physical damage lines.

The initial members are American States, Missouri Motor Club, Auto-Owners, Economy Auto, Freeport Motor Casualty, General Casualty of Madison, Hawkeye Casualty, Hoosier Casualty, I.E.A. Mutual, Madison County Mutual, Motor Vehicle Casualty, State Auto of Indiana, Suburban Casualty, Western States Mutual and Wolverine.

While it was felt that at the outset the independent bureau would have to gear itself to the big stock and mutual bureaus, the expectation is that eventually the independents will develop their own, individualized data and will be able to set the pace.

A standing committee on general casualty lines and another on automobile were appointed, the former being headed by Fred Miller of Hawkeye Casualty and the latter by George W. Casey of Motor Vehicle Casualty. These committees will draft rates and rules and get up a completed manual.

## Swampscott Resolution in Hands of Producers Groups

NEW YORK—E. W. Sawyer, counsel of National Assn. of Casualty & Surety Agents, has formally placed before National Assn. of Insurance Brokers, National Assn. of Insurance Agents, American Assn. of Insurance General Agents and Surety Producers Assn. the resolution adopted at Swampscott by the casualty agents group, calling for the formation of a committee of producers, representing all organizations, in order more efficiently to cooperate with the companies on common problems in the business. The resolution grew out of the casualty agents concern with the capacity shortage.

## Herrin Succeeds Wylie

Ralph Wylie has resigned as special agent of New York Underwriters in Louisiana and will enter the local agency business at Henderson, Tex. He will be succeeded by Horace Herrin, who has been special agent for Buffalo in Louisiana. Mr. Herrin will have headquarters in the Maritime building, New Orleans.

## Several Changes Are Made in Liability Manual

(CONTINUED FROM PAGE 24)

amended by adding the word "dealers" and eliminating reference to the inclusion of salesmen exposed to stockyard hazards. Addition of the word "dealers" is editorial to conform to a similar W.C. classification. Elimination of reference to salesmen results in a lower rate applying to outside salesmen since such employees are now assignable to "salesmen, collectors or messengers—outside." The rate for territory 12 for "vessels—barges, scows, canal boats or lighters" has been reduced to 84 cents, which is the same rate for all of New York state.

### O. L. & T. Changes

In the O. L. & T. manual, the B.I. and P.D. exclusions 1(e) and 2(e) have been amended to provide that the exceptions to these exclusions do not apply to contractors' vehicles while rented to another. Coverage for such vehicles is provided for in the M. & C. manual. The exclusions also have been amended to exclude coverage for loading or unloading of watercraft away from the premises, to tally with the M. & C. change in this respect. The classification "Apartment, tenement, boarding or rooming houses" has been divided into two—"Apartment or tenement houses"—not apartment hotels or boarding or rooming houses—N.O.C.—(three or four family dwellings to be separately rated) and "Boarding or rooming houses." This change is solely for the purpose of establishing separate experience for the classifications. In New York City additional classifications have been established. The classification of "washing machines, coin meter type," has been amended to make the classification not applicable to washing machines in self-service laundries.

A change in the medical payments exclusion relating to elevators under O. L. & T. eliminates the words, "arising out of." An example of the effect is that injuries to spectators at baseball games are covered. The minimum premium rule on medical payments has been amended to provide that for three year policies the basic discount rules in the O. L. & T. manual apply.

In the owners' or contractors' protective liability manual, there is a provision that policies may now be written for one year, three years or for the full period of a specific contract. In the product liability manual, the definition of sales has been amended to conform with the standard provisions endorsement for use in connection with comprehensive general liability policies.

## Stewart General Chairman

Harry J. Stewart, executive vice-president of West Coast Life, has been appointed general chairman for the 1948 convention of Health & Accident Underwriter Conference scheduled for

San Francisco in May. He is now organizing a committee with representatives from all Pacific Coast companies as members. This week in Chicago he conferred with George W. Kemper, Fireman's Fund Indemnity, president of the conference, and other officers on convention plans and objectives.

## Paramount Reorganized; Stop Order Rescinded

HARRISBURG, PA.—Commissioner Malone has rescinded his order to Paramount Mutual of Philadelphia to cease transaction of business pending a hearing before the attorney general.

Management changes made by the mutual, which placed Garrison T. Knox in charge to replace Manuel Melnick, in a "complete reorganization" of the company's operations, was the primary factor in the commissioner's decision.

The company was organized about a year ago and wrote coverage, as one of its functions, for members of the now inactive G. I. Taxicab Assn. of Philadelphia. It now specializes in automobile liability and property damage.

Malone explained that his action against the mutual was based on mismanagement rather than financial difficulties, although reports had been made to the department that it was not paying claims promptly. An audit, however, showed that there was no financial unsoundness.

The matter will be set for an early hearing, when the new management will report on its progress and submit future plans.

Malone expressed "complete confidence" in Knox's ability to place the business of the company on a sound basis.

## "Agent's Automobile Guide" by Gee Now Off the Press

A new book by Harold F. Gee, "Agent's Automobile Guide," has been published by Rough Notes Co.

Mr. Gee, who is western manager of Commercial Casualty and Metropolitan Casualty, has listed the answers to 315 questions which are likely to come up in an agency concerning automobile lines.

Every point is indexed and classified by subjects and alphabetically.

Mr. Gee is the author of two other guide books, "Agent's Casualty Guide" and "Agent's Bonding Guide." "Agent's Automobile Guide" is available from Rough Notes Co., 1142 North Meridian street, Indianapolis, at \$2.

William C. Bishop, manager Michigan state accident fund, was elected secretary-treasurer of American Assn. of State Workmen's Compensation Funds at the convention at Toronto. He has been a trustee for several years. He succeeds Louis Buffler of the New York fund.

## Overassessment Determined

WASHINGTON—The internal revenue commissioner has determined an overassessment of income tax and interest for the year 1940, amounting to \$27,160, in favor of Royal, because of allowance of additional deduction for taxes and interest assessed in lieu of that due.

## WANT ADS

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## Payne Expl

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Considera sion bill w noon. Subs on all of provisions changes in which was the fact th tative one tunity to r the commi sial filing scheduled d day aftern permitted, tion of ma active.

## Two Days

Preceding there had consultation representative commi Conference V. J. Sku the chairm and Mond ences of th tee of the Farley, M chairman; the bureau elers, is ch Ray Killio the aftern



## Weigh Standard Provisions Change

(CONTINUED FROM PAGE 23)

and Allyn, Connecticut. Other department representatives also figured prominently, including Victor Cohen of New York and James Ross of Illinois. There were about 35 in attendance. The members of the joint committee which drafted the proposed measure were buttressed by high officials of both the Bureau of Accident & Health Underwriters Conference and Health & Accident Underwriters Conference and other company officials. Martin B. Williams represented Industrial Insurance Conference.

### Payne Explains New Bill

At the outset Raymond A. Payne, Travelers, speaking for the joint committee, said its desire was to make the measure flexible and usable. He said it was based on the life and group law and is of the "in substance" type, rather than a strict requirement that everything shall be in the words and in the order prescribed by law. Harold R. Gordon, for the conference, added that the suggestions made for modernizing the standard provisions had been carried out and the provisions made flexible enough to use with different forms. George Goodwin asked whether it presents an agreement of the various segments of the business. Both Mr. Payne and Mr. Gordon said that in principle it does, although the actual draft had been completed so late that there might be things on which some criticisms would be offered.

### Section on Form of Policy

After discussion of the filing and approval section had been sidetracked, Mr. Payne proceeded with the presentation of the section which covers the form of policy. It was stated that the chief change there was to provide that policies shall be printed in the same type, not less than 10-point, throughout, with no provision for bold face or different sizes of type. There seemed to be no objection to that change. It also provides for family policies, a new development since the old law was enacted. There was some criticism of the wording of the provision in regard to policy exceptions.

On the standard provisions themselves, questions were raised as to the time limit for giving notice of claims, and whether the claim provisions were really suitable for hospitalization policies.

Consideration of the standard provision bill was concluded Tuesday afternoon. Substantial agreement was reached on all of the proposed new standard provisions themselves, although many changes in wording were suggested, which was not surprising in view of the fact that the draft was really a tentative one and there had been no opportunity to review its provisions prior to the committee meeting. The controversial filing and approval section was scheduled to be taken up again Wednesday afternoon, to be followed, if time permitted, by a discussion of the question of making the Official Guide retroactive.

### Two Days of Consultation

Preceding the commissioners meeting there had been two days of intensive consultation on the part of industry representatives at Chicago. The executive committee of H. & A. Underwriters Conference held a session Sunday with V. J. Skutt, Mutual Benefit H. & A., the chairman, presiding. On Sunday and Monday there were joint conferences of the standard provisions committee of the conference headed by Jarvis Farley, Massachusetts Indemnity, the chairman; the comparable committee of the bureau, of which R. A. Payne, Travelers, is chairman, and Louis Rietz and Ray Killion of Metropolitan Life. Late in the afternoon Monday the conferees

## Icks Gives Tips on Statistics

(CONTINUED FROM PAGE 2)

ally require that the accumulated information be sorted and tabulated in strict accordance with each call. Then there is also the problem of valuing each individual reserve for unadjusted loss reports in the determination of incurred but not reported losses. This whole situation will require analysis to determine the additional procedure involved, the cost for rental and purchases of the additional tabulating and other equipment which probably will be required, as well as the personnel needs, both as to quality and as to training.

### Move to Form N. Y. Unit

New York A. & H. men will conduct a luncheon Oct. 21 and attempt to form an association which will include A. & H. producers. G. H. Knight, president, and O. J. Breidenbaugh, executive secretary, National Assn. of A. & H. Underwriters, will address the group.

I. L. Yearwood, Federal Life & Casualty, is handling arrangements.

### Names Myers in Ohio

Hanover Fire has appointed Asa C. Myers, Jr. as special agent in Ohio to assist State Agents Paul F. Brown and Glenn F. Graf.

Mr. Myers is a graduate of Ohio Wesleyan and started in the local agency business at Delaware, O., eight years ago with his father. He has been in the agency ranks ever since that time, except the period he spent in the navy during the war, and about six months prior to his entry into the navy when he performed war inspection work for the government.

### Bresnahan Insurance Aid

WASHINGTON — W. A. Bresnahan, director of the research of American Trucking Associations, is made responsible for all motor carrier insurance matters and will serve as the staff member assigned to any insurance committee or special group dealing with insurance problems. The annual A.T.A.

came to a final agreement on the proposal for new standard provisions legislation and the mimeographing department of the conference was kept busy during the evening turning out the draft for distribution Tuesday morning.

convention is to be held at Los Angeles, Oct. 26-30.

On Oct. 29 ladies attending the convention will be guests of Truck Insurance Exchange at the "Queen for a Day" radio show.

### Change in Aetna Board

Charles P. Cooley, Sr., has resigned as an Aetna Fire director and Charles P. Cooley, Jr., has been elected in his place. Mr. Cooley, Sr., has served on the board 42 years. Mr. Cooley, Jr., represents the third generation of his family to serve on

the board. His grandfather, Francis B. Cooley, was a member from 1867 to 1904. The new director is a partner in the brokerage house of Cooley & Co.

### Iowa Pond Hears Seltzer

DES MOINES — Martin Seltzer, general agent of the Kansas City Life, spoke before the Iowa Blue Goose on "Selling by the Dozen."

The annual Vern Myers duck dinner will be held at Waterloo Nov. 4. It will be sponsored by the Eastern Iowa puddle.

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OFFICES IN PRINCIPAL CITIES OF UNITED STATES AND CANADA

# INSURANCE NEWS BY SECTIONS

## PACIFIC COAST AND MOUNTAIN

### Dunn So. Cal. Manager of National Union, Birmingham

National Union and Birmingham have appointed E. W. Dunn, southern California manager at Los Angeles, effective Oct. 15.

Mr. Dunn has been first vice-president of Guarantee Insurance Co. and Guarantee General Agency of Los Angeles. Previously, he was with the Deans & Homer general agency and has had 24 years in the fire business. He is a graduate of Trinity College in Montreal. He is representing California Blue Goose at the Miami grand nest meeting and will take up his new duties in National Union's southern California office upon return to Los Angeles.

### New Depreciation Insurance Rules Announced in Wash.

SEATTLE — Rules for writing depreciation insurance, which has been legalized under the new Washington insurance code, were announced by Washington Surveying & Rating Bureau. The law provides that depreciation insurance (replacement cost without deduction for depreciation) may be written only by endorsement to an existing fire policy.

Under the new rules, coverage is (1) limited to buildings, which may be of any class construction or occupancy, and such machinery as is incidental to the servicing of the building; (2) coverage is applied only by endorsement; (3) the 100% average clause shall be mandatory regardless of whether the risk is eligible to reduction therefor; (4) depreciation insurance endorsement (standard form 166, October, 1945) is applicable.

### Better Adjustment Control Set Up on Coast

The new Fire Insurers Loss Adjustment Committee, which comprises practically all fire companies operating in the Pacific Coast territory, has notified all agents and brokers not to assign any losses to adjusters of their own choosing but to report all such losses direct to the companies or their regional service offices.

The letter containing reasons and instructions was signed by Ward S. Jackson, manager for Crum & Forster, and committee chairman.

"Unfortunately," Mr. Jackson said in the letter, "there has been a growing tendency among adjusters to solicit loss assignments direct from producers, which practice has caused assignments in many instances to be made to adjusters not qualified to handle the type of loss involved. It is unmistakably evident that this is causing loose adjustments and, in many cases, serious overpayment of losses. Closer supervision of adjustments is imperative in order that losses may be assigned only to experienced, capable adjusters selected by company offices."

He stated adjusting assignments not made or approved by the company concerned will not be recognized.

### Install Post 404 Officers

New officers of Insurance Post 404 of American Legion in San Francisco are to be installed at special ceremonies Sept. 12, with a ritual team of Emil J. Nelson Post 590. There will be refreshments and entertainment.

Insurance Assn. of Los Angeles will hold its golf tournament Oct. 30, at the Brentwood Country Club. Dinner and entertainment will follow.

### Fireman's Fund Revamps San Francisco Setup

Percy W. Lord, who has been superintendent at San Francisco of the city fire department of Fireman's Fund, has retired under the company's retirement plan. Mr. Lord was employed in 1918 to supervise the San Francisco business of Home Fire & Marine. In 1930 he was made superintendent of the group's city department.

The former duties of Mr. Lord will be divided. Harry D. Sears will become senior underwriter and be in charge of office procedure in the city fire department. Mr. Sears was in the brokerage business before joining Fireman's Fund 29 years ago.

Responsibility for production of San Francisco business will be assumed by the service and improved risk department which has heretofore specialized in development of brokerage business. This department is in charge of Philip F. Kingsley who has been with Fireman's Fund 22 years. Mr. Kingsley attended Armour Institute of Technology majoring in fire prevention engineering, and shortly thereafter joined Fireman's Fund as an underwriter. In 1930 he was appointed special agent for New Mexico and subsequently was advanced to state agent for Colorado and later to a supervisory position involving the mountain states operations. In 1946, he was advanced to his present position.

Specializing in service to San Francisco brokers will be Boyd Chiles who was employed by Fireman's Fund in 1930. He was made a special agent in 1939 in the Sacramento Valley. He served in the army as a first lieutenant.

### Lincoln Class for Adults

LINCOLN, NEB. — A 10 weeks class in general insurance is being offered once a week at Lincoln high school for employed adults or those who desire employment. It is conducted by George X. Smith, Stuart Investment Co. Contracts are blanket fidelity bonds, money and securities broad form burglary and robbery policy, schedule liability policy, national standard automobile policy, workmen's compensation, aircraft liability and hull, personal property floater, comprehensive personal loss policy, standard fire policy and business interruption policy.

### Gilbert to San Francisco

Al W. Gilbert, manager at Los Angeles of Pacific Fire Rating Bureau, has been transferred to San Francisco. J. T. Silvera, who has been assistant district secretary, has been named Los Angeles manager.

### Library Branch at L. A.

LOS ANGELES — The F.U.A.P. insurance library, San Francisco, has established a branch at Los Angeles, temporarily housed in the Pacific Board office. It is understood that contributions will be made by some Los Angeles insurance organizations.

### Begin Second Educational Series

General Adjustment Bureau has begun its Series 2 educational program in the Pacific Coast region, with the first regional meeting at Salt Lake City for adjusters from Idaho, Montana and Utah.

Each meeting consists of educational papers followed by open forums. General Manager George W. Lilly of General Adjustment attended the Salt Lake City meeting.

W. H. Sidebotham, Pacific Coast manager of National Union and Bir-

mingham, went to Seattle to install J. A. Solseth as special agent, then attended the Sun Valley annual convention of the Idaho Assn. of Insurance Agents.

Robert M. Henley, cashier in the Pacific department of Springfield F. & M. was the recipient of a special party by Manager John M. Wylie, associates and the company on the occasion of his 50th year with the organization. Among other things he received a new silver dollar for each of the 50 years.

Charter has been issued to the San Gabriel Agency, Azusa, Cal., with a capital of \$2,500. The incorporators are H. A. Snidow, Dorothy D. Reimer, P. L. Greig and C. A. Blanchard, all of Azusa.

The round table study course being offered of the Insurance Women of Los Angeles opened Oct. 1, and will continue to Dec. 17. It will cover fire, inland marine, burglary and plate glass.

## EAST

### Explains New Boston Board Setup

BOSTON — The Boston Board at a meeting with practically 100% attendance adopted a new constitution and by-laws to bring the board into compliance with the federal situation.

The same officers will continue in office until next January and at a later meeting new agency and brokerage rules will be acted upon.

The new regulations provide for the admission to membership of Boston metropolitan district sub-agents and brokers as associate members, with the general agents having general control and responsibility for the conduct of the board.

Three classes of membership are now provided, general agent members, associate agents and associate brokers. The present members of the board will become general agents and all present holders of a board certificate will become either associate agent or associate broker members.

Both associate agent and associate broker members will be represented on the executive and violations committees.

### Define Classifications

General agent members must be the principal agent for Boston proper of any fire insurance company and must maintain an office in Boston proper.

The associate agent must be an agent for a Boston sub district or a city or town of the metropolitan district maintaining an office separate and apart from any general agent member.

Associate broker members must represent only companies which issue fire policies on Boston proper risks through general agent members and "on risks located in the Boston sub district and in the metropolitan district only through a general agent member, an associate agent member or the home or branch office of the insurance company."

New members may be admitted in any of the three classes by two thirds vote of the general agent members and each new general agent member will be required to pay an amount equal to the pro rata value of each general agent membership in the board's cash assets.

Membership dues are \$100 for general agents annually, minimum, and \$10 for associate agents and \$5 for associate brokers.

All members will be required to sign in writing a pledge to observe the laws of the state, rules and regulations of the insurance department, and to abstain from any combination or conspiracy in restraint of trade, and comply in general with the fair practices act.

### Butler Gives W. Va. Talk

Commissioner Butler of West Virginia inaugurated fire prevention week in that state by addressing the Rotary Club of Parkersburg Oct. 6. Mr. But-

ler was formerly state agent for National Fire and has always been active in fire prevention work. He carries this interest with him in his present position.

He was introduced by Bernard F. Flood, state agent for Royal-Liverpool, who is vice-president of Rotary and program chairman.

### Kelly Springfield President

SPRINGFIELD, MASS. — The Springfield Board of Fire & Casualty Underwriters has elected as president William F. Kelly of J. E. Kelly & Son; vice-president, Donald G. Webster; treasurer, Charles J. McMorris; secretary, Robert J. Palmer.

Russell Harrington, special agent American, and H. Hayes Landon, state agent of Agricultural, spoke.

### Md. Agents Meet Nov. 19-20

The annual meeting of Maryland Assn. of Insurance Agents has been set for Nov. 19-20 at Baltimore. Headquarters will be in the Lord Baltimore Hotel.

Classes in elementary insurance conducted by Insurance Women of Pittsburgh, got under way Oct. 1. Instructors will be various members of the club. The school will be under the supervision of Miss Gladys Martin.

## SOUTH

### Morgan Ala. Agents' Head; Croom Out

Stephens G. Croom of Mobile has resigned as president of Alabama Assn. of Insurance Agents.

He was elected at the annual meeting at Mobile Sept. 12.

Neal Morgan of Heflin, who was elected vice-president at the Mobile convention, has been elevated to the presidency. He has been chairman of the rural agents committee of the association and presided at a breakfast conference for small town agents at the convention. He also is a member of the committee on rates, rules and forms.

Mr. Croom resigned because of increasing and accumulating personal business matters. He is with the agency of Croom & Tonsmiere, of which his father was one of the founders.

### President Miller of Texas Agents Reports 1,659 Roster

Texas Assn. of Insurance Agents had 1,659 members at the beginning of its new year Sept. 1, President M. J. Miller, Fort Worth, announced. Directors held their annual meeting in Fort Worth to review the year's work and make plans for attending the annual convention of the National Assn. of Insurance Agents. President Miller is ex-officio national director from Texas.

An operating budget based on an anticipated gross income of \$30,000 was adopted. Further consideration was given to reduction of commission on extended coverage and windstorm insurance and plans were discussed to improve the automobile insurance situation and provide additional company facilities for agents, particularly those in seacoast towns.

### Ragland Heads Observance

Stuart Ragland, well-known Richmond, Va., local agent, and past president Virginia Assn. of Insurance Agents,



Neal Morgan

is chairman of the committee of which is Prevention in this work Tuck issue

### Davies, Law Firm

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### Program

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is chairman of the fire prevention committee of the chamber of commerce, which is planning for observance of Fire Prevention Week. He has been active in this work for many years. Governor Tuck issued a proclamation on the week.

### Davies, Mead & Williams Law Firm Dissolves

The law firm of Davies, Mead & Williams, Birmingham, has been dissolved and the former members will continue practice under separate arrangements. Joseph S. Mead will continue in the same quarters now occupied by the firm in the Jackson building and Gilbert Johnson will be associated with him. Messrs. Frank Davies and Marvin Williams, Jr., will constitute a new firm, Davies & Williams, which shortly will move to new quarters.

Messrs. Mead and Davies have been practicing for quite a number of years and are among the best known insurance counsellors in the south. Mr. Mead has gained recognition in several important cases, including the famous Sanders arson matter in which the insurers were saved several hundred thousand dollars.

Mr. Davies successfully serves many insurance companies. Messrs. Williams and Johnson are younger practitioners who have considerable insurance clientele.

### Observes 80th Anniversary

NASHVILLE — The Davis, Bradford & Corson agency, in observance of its 80th anniversary, is distributing a "Booklet of Milestones." It was established as a general agency in 1860 by P. P. Peck.

### Launch Okla. Farm Bureau Mutual

Oklahoma Farm Bureau Mutual Fire has been licensed by the Oklahoma Insurance board to write fire, windstorm, tornado and extended coverage. John Taylor is president; Harold Davis, vice-president; E. G. Jeffrey, treasurer; Lewis Munn, secretary. It has surplus of \$107,530.

### La. Rating Bureau Parley

Louisiana Rating & Fire Prevention Bureau will hold its annual meeting Oct. 15 at New Orleans.

Scott Nixon of the Southern Finance Agency, Augusta, Ga., who has been secretary-treasurer of the Augusta Kiwanis Club for 10 years, has resigned. William E. Law, also a local agent, succeeds him.

B. Y. Calvert, local agent at Lynchburg, Va., will celebrate his 40th anniversary Oct. 16 by entertaining some of his insurance friends including field men. His son, B. Y. Jr., is associated with him in the agency.

Kiah Hodges of Clinton, Okla., who sold his agency recently to R. H. Dunn, has repurchased it. He has been in the local agency business at Clinton more than 20 years.

## MIDDLE WEST

### Wisconsin Mutual Company Program Is Announced

The program has been completed for the annual meeting Nov. 3-4 of the Wisconsin Federation of Mutual Companies at Hotel Schroeder, Milwaukee.

Junias H. Cleuss, secretary Manitowoc Mutual Fire and president of the association, will open the meeting with his report. Other speakers the first day are Prof. E. A. Gaumnitz, University of Wisconsin, on "Problems Confronting Agents and Companies;" Harold M. Wilkie, general counsel Wisconsin Mutual Alliance, "Insurance Laws Enacted in 1947;" Bruce S. Stake, Mutual Insurance Agency, St. Louis, "Insurance Hucksters;" and Harold C. Raether, secretary Wisconsin Funeral Directors Assn.

The banquet will be that evening. A movie showing home office proce-

dures will lead off the second day. Ronald Barton, Schiffler & Co., Milwaukee adjusters, will speak on "Write Them Right." James C. O'Connor, editor "Fire, Casualty & Surety Bulletins," will discuss forms and coverages, and Dr. R. C. Steinmetz, chief special agent Mutual Investigation Bureau, Chicago, will talk on arson.

The afternoon will be given over to a forum on fire and automobile problems. In charge will be Baird Detweiler, L. W. Ober, L. R. MacDonald, Harold Weiss, W. W. Barkdoll and Clarence Loverude.

### Plan Kan. Governor's Meets

Kansas is to have a series of "governor's fire prevention conferences" set for Oct. 17 at Topeka Oct. 21 at Hays, Oct. 22 at Dodge City, and Oct. 24 at Chanute. Governor Carlson will direct the conferences and Deputy State Fire Marshal Berridge is developing the programs and making preparations. Such subjects as education, fire control, adequate fire safety laws, engineering practices in construction of fire-safe buildings and family dwellings will be included.

### Consolidate Coverage

STILLWATER, MINN.—A streamlined insurance program for city property has been adopted by the city council, which has voted to place all fire, casualty and bonding insurance in a single contract with the Fred L. Gray Co., general agency of Minneapolis. Six local agents who have handled the business in the past have agreed to the arrangements and will continue to get the commissions. Under this program the city is promised more complete coverage at little or no added cost.

### Harris Minneapolis Speaker

Armand Harris, head of the rating division of the Minnesota department, will address the Insurance Club of Minneapolis at a luncheon Oct. 13. The program is sponsored by the Chas. W. Sexton Co.

W. R. Prouty, Jr., has become an associate in the Max L. Holmes agency at Des Moines. Following three years in the navy, he has been with Employers Mutual Casualty.

The Mutual Insurance Club of Columbus called off its October meeting because of the mutual insurance convention. At the next meeting Nov. 3, Prof. J. Wayne Ley of Ohio State University will speak.

W. H. Pierstorff, for 36 years secretary of Middleton Fire, Middleton, Wis., has resigned and is succeeded by Namen Offerdahl.

William Lahm, county treasurer, has acquired the Wilbur S. Hanson agency, Sparta, Wis., operated since Mr. Hanson's death by his son, Stephen.

Insurance Women of Toledo is sponsoring a class which started Oct. 2. First course will be on bonds, with William N. Fenn, Travelers, as instructor.

Dan D. Fulmer, Columbus, O., local agent, has taken over the management of the Alfred E. Carpenter agency and will operate it in connection with his own business. Mr. Carpenter, who died Sept. 19, had represented Travelers 41 years. Mr. Fulmer has been with Travelers 19 years.

## CANADIAN

### Losses Pyramiding in Canada; Expect Rate Raise

TORONTO—The possibility of an increase in fire losses in Canada for 1947 of at least \$10 million over 1946 is seen. This is the prediction of the Canadian manager of a large group of U. S. companies operating in Canada. Unofficial figures for nine months put total losses around \$55 million, an increase of between \$7 million and \$8 million as compared with the like period a year ago.

One of the bugbears this year is the sudden reversal of conditions in the dwelling field. Up to a short time ago, this manager stated, insurance on dwell-

ings—especially brick dwellings—was one of the most profitable lines. Now it has become a general headache and some managers have been heard to say they are glad to have little residential business on the books.

Asked whether he expected premium rates on fire insurance to be increased in 1948, a British company manager said he would not be surprised at such a move.

### Union Advances LeRiche

Union of Paris has appointed Stanley F. LeRiche assistant manager for Canada. He has been with the company about 25 years and before that was with Norwich Union and British America.

### May Cancel on B. C. Schools

VICTORIA, B. C. — Unless steps are taken by the police and by school authorities to protect property from the religious sect known as the Doukhobors, fire companies operating in British Columbia will have no choice but to cancel insurance on a number of buildings in the Kootenay-Boundary-Nelson-Slocan districts.

The British Columbia School Trustees Assn. has been advised that unless

proper guards are provided for school properties contracts will be cancelled immediately and will not be renewed until the wave of incendiarism is ended.

### To Regulate Oil Burners

REGINA, SASK. — The Saskatchewan government has endorsed regulations covering installation of oil burners.

There have been numerous complaints regarding the installation of faulty oil burners and many fires have been started by them. No oil burning equipment may be sold in the province unless it has the seal of approval of National Research Council, Canadian Standards Assn., Underwriters Laboratories and Associated Factory Mutuals.

### Vancouver Institute Elects

Adam McBride has been elected president of the Insurance Institute of Vancouver. Vice-president is J. F. Parrott, Aetna Fire; honorary secretary-treasurer, S. Dickson, Pacific Coast Fire.

Carl W. Ohlin, who has been insurance department manager for Garrette Bromfield & Co., Denver, has been elected vice-president of that company.

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## Fevig Leads Minnesota Agents' Assn.

(CONTINUED FROM PAGE 3)

for each step to improve its loss record."

Another resolution asked the National association to investigate the possibility of change in the minimum premium of \$1,000 to \$500 in the workmen's compensation retrospective rating plan. It was also urged that the penalty be investigated, the contention being that "the penalty should not be greater than the credit given."

At the luncheon in his honor Commissioner Johnson talked briefly about the new rating division in his department. He said it was not the intention of the recent legislature in passing the rating laws to put the insurance business in a strait jacket.

"The insurance department takes the position there can be no law or directive that can replace good, sound, smart company management," said Commissioner Johnson.

He introduced Armand Harris, head of the new rating division, who spoke briefly.

### Past Presidents Honored

One of the highlights of the two day convention was the golden anniversary banquet at which 14 of the living past presidents were honored. They were grouped at a table facing the head table and as President George Thompson called off their names each was presented with a handsome letter opener with his name engraved on it and the year or years he served as president.

The past presidents honored were Roy Nienhauser, St. Paul, 1925; R. M. Thompson, Minneapolis, 1927-28; C. F. Liscomb, Duluth, 1931; F. S. Preston, Minneapolis, 1932; S. C. Aldridge, St. Paul, 1936; E. C. Huhnke, Duluth, 1937; A. B. Caswell, Minneapolis, 1938; Harry A. Levant, Eveleth, 1939; Arthur A. Hirman, Rochester, 1940; Leroy D. Engberg, St. Paul, 1941; Richard A. Thompson, Minneapolis, 1942; Armand W. Harris, St. Paul, 1943; Howard Williams, Mankato, 1944; William Knudsen, Hibbing, 1945.

John Stott, Norwich, N. Y., member of the executive committee of the National association, was the banquet speaker and gave an eloquent address on Americanism and democracy as opposed to other ideologies.

George V. Fevig of Moorhead was elected president to succeed George A. Thompson, Minneapolis, who becomes a member of the executive committee. Fred G. Degen of Faribault is the new head of the executive committee, and thus steps into line for the presidency next year.

Attendance at the Duluth meeting exceeded expectations by a considerable margin. Registrations were around 300, but 383 were served at the banquet. It was the largest Minnesota annual meeting since before the war.

### AUTO FORUM

Reducing accident frequency and bringing about better driving habits were called the two major requirements to improve the present unsatisfactory automobile insurance situation in a panel discussion on that subject that featured the opening session. Taking part were L. C. McGee, Minneapolis manager Aetna Casualty, who acted as panel chairman; E. B. Kaufman, superintendent auto department Crum & Forster, Freeport, Ill.; E. Ray Sory, Austin, Minn., president Minnesota State Automobile Assn., who spoke for insurance buyers, and Arthur A. Hirman, Rochester, representing local agents.

In his opening statement, Mr. McGee commented on the reasons for the unfavorable automobile situation and noted that the effect has been more strict underwriting rules and the weeding out of unprofitable business and in some cases unprofitable agencies. The

result has been disturbing to agents, to companies and to the public, he said, and while the situation is improving to some extent it is still far from ideal.

Mr. McGee said the cure is in decreasing accident frequency and severity with proper measures being taken to keep unfit drivers and cars off the road. To a large degree the public makes its own rates and as long as accident frequency continues to rise it is inevitable that rates will increase.

Mr. McGee declared it would help if drivers were subjected to tests for new and renewal licenses and he favored periodic inspections of autos. He said license plates should be surrendered at the time of revocation of licenses.

### Chides Insurance Inactivity

Speaking for the buyers, Mr. Cory said that the public, not the companies, pay the losses growing out of automobile accidents and when the public fully realizes this "there won't be these big verdicts juries are now giving." The only solution to the high cost of auto insurance, he said, is to reduce accident frequency. He cited the late Tom Linnell and Wheaton A. Williams of Minneapolis as two insurance men who have done much to promote safety and chided insurance men as a group for not doing more. He stressed the importance of training youths to become good drivers and told what is being done along this line in Minnesota schools.

Classifying drivers for rating purposes was advocated by Arthur A. Hirman, spokesman for local agents.

"Raising rates are not the answer and assigned risk pools are not the answer to the chaotic automobile situation," said Mr. Hirman. "Careful drivers deeply resent paying the penalty of high rates. Forcing youthful drivers and those of the over-age group together with certain other respectable classes into the assigned risk pool leaves an ill feeling much like the stigma of being thrown into jail with drunks and criminals."

"Major rate increases seldom have succeeded in reducing high loss ratios. Only 15 years ago we had a similar situation in workmen's compensation. Losses kept increasing, rates kept increasing and still the companies went in the red. Today we have a streamlined auto policy that matches a streamlined auto. There has been some suggestion that we cut and trim that policy, to which idea I am vigorously opposed. Putting a limited policy on modern cars would only invite more public reaction and disfavor."

### Rating Is Far Behind

"While the auto policy has kept pace with present day conditions where is our rating system? A little study should soon convince us that it is a 1910 model. I believe that steps toward overhauling the rating system lie in classification of states, cities and counties; driver and car classification, and improved safety driver reward system, not only on liability but on an over-all basis including collision, fire and theft."

Mr. Hirman recalled the experience in Minnesota after the safe driver reward plan was adopted 10 years ago. Loss ratios began to decline soon after the safe driver reward plan became effective.

A safe driver reward by itself will not produce favorable results, but it will contribute greatly, he argued. Proper rate credits and rewards always have produced results in lowering loss ratios. With an overhauling of the rate structure a classification can be obtained much closer to actual exposure, and underwriters can better tell which are the good and the bad classifications.

Mr. Kaufman took issue with Mr. Hirman's statement that present rates are of 1910 vintage. He said agents have been complaining of too frequent

changes in rates. Rates have not kept pace with increased values due to inflation, he maintained.

"Replacement cost insurance is an entirely new concept of the business still in its infancy and its future is in doubt," James C. O'Connor, editor and manager of the "F. C. & S. Bulletins," told the convention.

### Departs from Old Principle

It departs from the old principle that the insured should not profit on his insurance, Mr. O'Connor said. It is only within the last eight years that it got out in the open and public approval was given to it. The real starting gun was fired in 1943 when the mutuals endorsed the coverage and forced stock companies to follow suit.

There are no standard rules or forms for replacement cost insurance. There has been no increase in rates. The partial loss has been one of the worst public relations reactions to this coverage and the coinsurance requirement has been one of the greatest stumbling blocks in its development.

Mr. O'Connor said the "acid test" of replacement insurance will come when it is largely written on a falling market. He said the moral hazard must be guarded against and there are other necessary underwriting safeguards if this form of coverage is going to prove satisfactory to the companies that write it. The attitude of the companies toward it is sharply split, he added.

His remarks provoked several questions from the agents who manifested considerable interest in the subject.

### FARM BREAKFAST

Rural agents were advised to push the fire extended coverage contract if they want to expand their farm business by speakers at the breakfast meeting for rural and small town agents. The current prosperity of Minnesota farmers was stressed in figures on farm production and prices and Brad Strom of Jackson, chairman of the meeting, commented, "it looks like we are overlooking a big market."

"Developing farm business is merely a matter of service and public relations," he said.

Guy Rolien, who has built up a large farm business against stiff competition in the small town of Milaca, said the extended coverage endorsement has been the biggest factor in his success. We must give the farmer something besides a premium receipt, he said, in pointing out the part the local agent can play in fire prevention, farm safety and rural fire patrol.

C. R. Hewitt, another successful producer in a small rural community, complained that his area was being penalized by a high windstorm rate, but B. R. Walinder, secretary America Fore group, said he would have a hard time convincing his home office that any part of Minnesota was being penalized in view of the high loss ratio on windstorm coverage. "If windstorm losses could be kept to actual losses and not involve depreciation we might get somewhere in lowering rates," he said.

Harry Clough, state agent, America Fore, said agents have a good selling point in the extended coverage contract for they are offering something the farmer cannot get elsewhere.

### Get 5-Year Coverage

Now is the time, while farmers are flush with cash, to sign them up for five year coverage fully paid in advance, suggested E. D. Swanberg of Worthington. He said he is finding it hard to convince companies that the high values being placed on farm property are justified.

Some farmers prefer to pay for their insurance in installments, said Francis McGovern of Rochester, who told of several financing plans offered his clients.

Floyd Biebighauser, farm underwriter St. Paul F. & M., said one of the surest ways to success in the farm field is for the agent to keep in close touch with his assureds.

## MINNESOTA PICKUPS

This was the first time John Stott had ever visited Minnesota but in his address he amazed his audience with his familiarity about Minnesota and its resources and pictured them in such glowing fashion that President George Thompson suggested he be put on the state payroll as official booster for the state.

Wallace Rodgers, Western Underwriters Assn., gave a public relations pep talk at one of the preliminary committee meetings at which Jack Klinkenberg, chairman of the Minnesota Fire Underwriters Assn., public relations committee, and Fred Degen, chairman of the agents public relations committee, also participated.

Miss Laura McFarlane headed the group of Duluth women who looked after the entertainment of visiting ladies. A luncheon and sight-seeing tour was sponsored by the Western Surety of Sioux Falls.

### STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACTS OF CONGRESS OF AUGUST 24, 1912, AND MARCH 3, 1933

Of The National Underwriter, published weekly with one additional issue in April at Chicago, Ill., for Oct. 1, 1947. State of Illinois [ss. County of Cook]

Before me, a Notary Public in and for the state and county aforesaid, personally appeared Levering Cartwright, who, having been duly sworn according to law, deposes and says that he is the editor of the National Underwriter and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, as amended by the Act of March 3, 1933, embodied in section 537, Postal Laws and Regulations, printed on the reverse of this form, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are:

Publisher, The National Underwriter Co., Chicago, Ill.  
Editor, Levering Cartwright, Evanston, Ill.

Managing Editor, Levering Cartwright, Evanston, Ill.  
Business Manager, H. J. Burrige, Cincinnati, Ohio.

2. That the owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding one per cent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a firm, company, or other unincorporated concern, its name and address, as well as those of each individual member, must be given.)

The National Underwriter Co., Chicago, New York, Cincinnati; Elizabeth W. Herschede, Cincinnati, Ohio; John Z. Herschede, Cincinnati, Ohio; Janet M. Wohlgenuth, Cincinnati, Ohio; C. M. Cartwright, Evanston, Ill.; H. J. Burrige, Cincinnati, Ohio; G. W. Wadsworth, Highland Park, Ill.; R. E. Richman, New York, N. Y.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: (If there are none, so state.) None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

5. That the average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the twelve months preceding the date shown above is 12,089. (This information is required from daily publications only.)

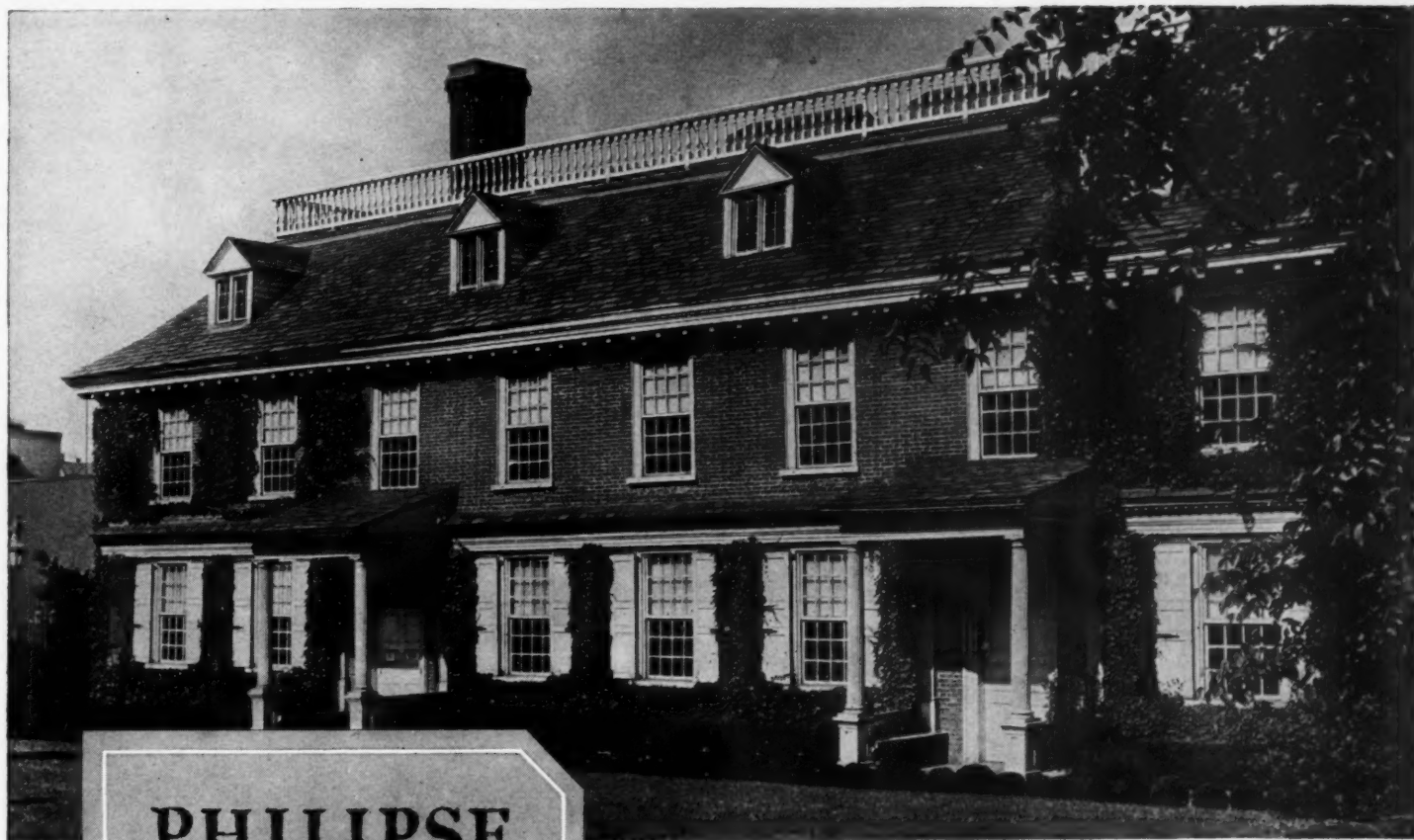
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Sworn to and subscribed before me this 26th day of September, 1947.

EDNA EASTMAN.  
(Seal)  
My commission expires Feb. 6, 1951.

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### PHILIPSE Manor Hall ★ A PROPHECY FULFILLED

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properties out of town over which a Royal Charter gave him full manorial rights. On one of his estates, in 1682, he erected the original Philipse Manor Hall which is incorporated in the present structure.

A man of culture and education, the second

A legend relates that during the brilliant wedding festivities a tall blanketed Indian appeared in the doorway and is supposed to have intoned, "Your possessions shall pass from you when the Eagle shall despoil the Lion of his mane."

For years Mary pondered this strange prophecy, but its meaning was not revealed until the Revolution when, like many other loyalists, the Philipse family and their connections were virtually banished. The American Eagle had despoiled the British Lion of its Colonial possessions.

Thereafter the Manor Hall belonged to a succession of

private owners until it was sold to the city of Yonkers in 1868. Used as the City Hall for some years, it is now under the joint custody of the New York State Department of Education and the American Scenic and Historic Preservation Society.

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*Mary Philipse*

Frederick, who succeeded to the title upon the death of his grandfather, played a prominent part in the affairs of the community. It was he who in 1745 enlarged the manor house to three times its original size. His two daughters, Mary and Susannah, made the house a mecca for many of the gallants of the day.

It was during the regime of the third and last Frederick that his sister, the beautiful Mary Philipse, met Washington. Whether he was actually a suitor is not certain, but a century later her grand-nephew declared that if the dominant Mary had become Washington's wife she would have prevented his leadership of the American cause. Whatever Washington's aspirations may have been, it was Roger Morris, whom Mary chose from among her many admirers.



*The scene of Mary's elaborate wedding to Roger Morris*

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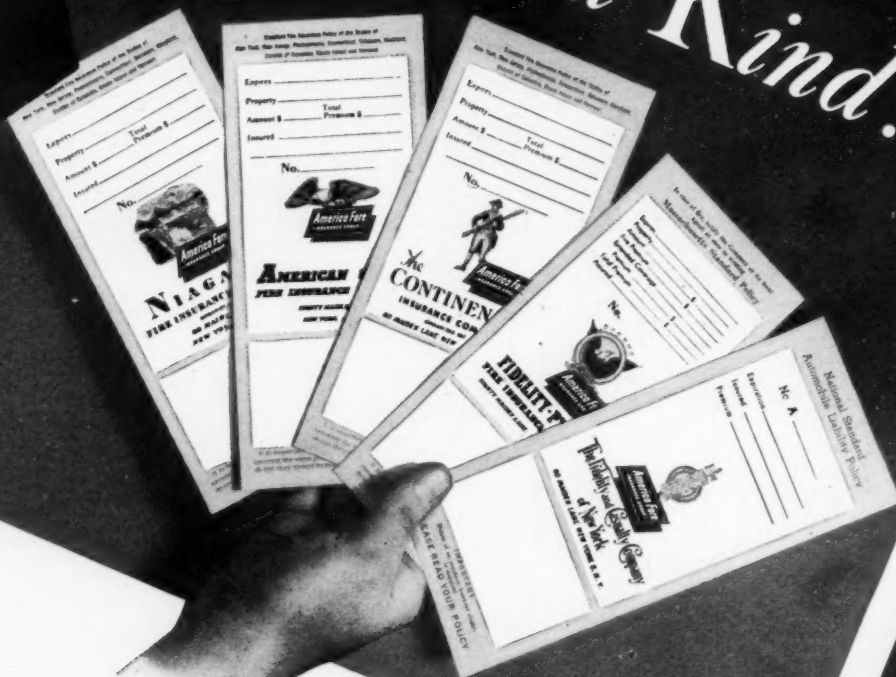
Standard Fire Insurance Policy of the State of New York

Expenses \_\_\_\_\_

Property \_\_\_\_\_

Amount \$ \_\_\_\_\_ Total \_\_\_\_\_

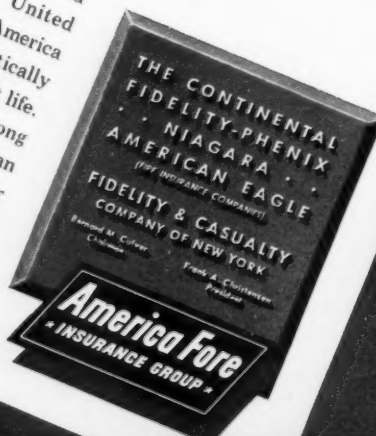
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